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INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

HEARINGS

U.S. Congress, Senate BEFORE THE
" SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE
UNITED STATES SENATE
EIGHTY-SECOND CONGRESS
FIRST SESSION
PURSUANT TO
S. Res. 202
(81st Congress)
AND
S. Res. 129
(82d Congress)

A RESOLUTION AUTHORIZING AN INVESTIGATION OF
ORGANIZED CRIME IN INTERSTATE COMMERCE

PART 19

JUNE 28, AUGUST 7, 1951

PENNSYLVANIA

Printed for the use of the Special Committee To Investigate
Organized Crime in Interstate Commerce



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**SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN
INTERSTATE COMMERCE**

[Pursuant to S. Res. 202, 81st Cong.]

HERBERT R. O'CONOR, Maryland, *Chairman*

LESTER C. HUNT, Wyoming CHARLES W. TOBEY, New Hampshire
ESTES KEFAUVER, Tennessee ALEXANDER WILEY, Wisconsin

RICHARD MOSER, *Chief Counsel*

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INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

THURSDAY, JUNE 28, 1951

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Washington, D. C.

The special committee met, pursuant to adjournment, at 10 a. m., in room 318, Senate Office Building, Senator Herbert R. O'Conor (chairman) presiding.

Present: Senators O'Conor, Kefauver, and Wiley.

Also present: Richard G. Moser, chief counsel; Downey Rice, associate counsel; John P. Campbell, Roswell P. Perkins, Wallace Reidt, Ralph P. S. McDonnell, assistant counsel; George Martin, Director of Public Information, and James M. Hepbron, administrative assistant.

The CHAIRMAN. The hearing will please come to order.

At the outset of this hearing, it may be desirable just to make the following brief statement.

Over a period of several months this committee has conducted hearings in a number of cities from coast to coast. With one exception those hearings were held in cities of large populations. In various reports the committee has clearly established the ramifications of organized crime in interstate commerce. To dispel any belief that may exist that criminal syndicates operate only in the largest cities, the committee has decided to inquire into conditions prevailing in the less populous cities, for we believe that the pattern of operations is the same, irrespective of the size of the city.

The fact that we have selected Reading as the first of the cities of average size is not to be construed as an indication that criminal activities there are any worse than those that may be found in any of a number of other cities of comparable size anywhere in the United States.

The committee is presently making preliminary surveys in some of the other cities with the possibility of future hearings if information now being obtained demonstrates the desirability of such hearings. It might be well to reiterate at this point that there is a popular misconception that this committee is a sort of super-police organization and that it should step in where local law enforcement appears to have broken down.

I might say that the committee has been deluged by requests for investigations from almost every State in the country and has been compelled to reject the vast majority of these because the facts indicated beyond doubt that the conditions complained of are purely local

in their character and therefore a matter to be treated at the local level.

There are several factors which have prompted the committee to make its investigation in Reading. We have information indicating the existence of bookmaking establishments dependent on racing wire services that come from out of the State, as well as information to the effect that slot machines openly operate.

The committee has devoted a great deal of time in the last few months to the subject of infiltration of legitimate business by those known to have participated in criminal activities in recent years. We are interested to know if instances of this kind have occurred in Reading.

The committee does not expect at this time to be able to hear all of the witnesses presently under subpoena. Those who will testify today and those who were not required to come to Washington are to be continued on subpoena and are subject to call at any time in the future the committee may designate.

In this connection, and I should like to say this with double emphasis, it can be stated that the issuance of a subpoena to any person does not necessarily imply criminal activity on the part of that person, or association with criminals. The committee frequently issues subpoenas for witnesses who have important information or evidence which in itself forms a definite link in a chain of evidence bearing upon a particular matter under investigation by this committee.

Proceed.

Mr. RICE. Rev. James Matchette.

The CHAIRMAN. Dr. Matchette, will you raise your right hand? All witnesses are sworn. I am sure you have no objection to that.

In the presence of Almighty God, do you swear that the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Reverend MATCHETTE. I do, sir.

The CHAIRMAN. Now, just make yourself comfortable and if you would be good enough to sit up close to the microphone and speak into it, we will appreciate very much your testimony, and we would like very much to have the benefit of all the information you may have in regard to conditions in and around Reading, Pa.

TESTIMONY OF REV. JAMES D. MATCHETTE, READING, PA.

The CHAIRMAN. First of all, may I ask for your full name?

Reverend MATCHETTE. James D. Matchette.

The CHAIRMAN. And you are a minister of the Gospel?

Reverend MATCHETTE. That is right; of the Methodist Church.

The CHAIRMAN. And where is the church situated?

Reverend MATCHETTE. At Front and Windsor Streets, Reading, Pa.

The CHAIRMAN. Thank you, sir.

Now, Doctor, how long have you had that charge?

Reverend MATCHETTE. Just about 3 years.

The CHAIRMAN. And how long have you been a minister?

Reverend MATCHETTE. Since 1933.

The CHAIRMAN. Since 1933. Now, Doctor, you of course are aware of what the committee is interested in, and we would be grateful to you if you would give us the benefit of your information as to

conditions in Reading. Have you had occasion to inquire into them and to observe conditions there?

Reverend MATCHETTE. Yes, sir; we have.

The CHAIRMAN. With respect to law enforcement and any extraordinary conditions having to do with criminal law violations?

Reverend MATCHETTE. Yes, sir; we have.

The CHAIRMAN. Would you be kind enough to state in your own way—that probably would be the easiest manner, without too many interruptions from us—just what you have found, and then if you do not mind we would like to ask you some questions.

Reverend MATCHETTE. Very well, sir.

The CHAIRMAN. Thank you indeed, sir.

Reverend MATCHETTE. Gambling and crime, crime which we believe has interstate connections, are widespread in Reading and quite open. Particularly punchboards can be found in all corner stores, cigar stores, and ice cream parlors. In fact, when you go in the store many times as you make a purchase they either put your change or the item that you have purchased on punchboards. So they are littering the counters. They are so numerous and so open that minors are tempted, and on many occasions have used the punchboards.

Bingo is openly advertised in our local papers and openly played. The so-called one-arm bandits, or slot machines, are in practically every one of the clubs that we have in town. In fact, in our local papers, occasionally it appears that these clubs are using them as a means of revenue, and if the one-arm bandits were removed many of the clubs would not be able to continue in business.

Senator WILEY. Have you got local ordinances or State statutes prohibiting these?

Reverend MATCHETTE. Yes, sir. To my knowledge, that does exist. Yet the machines are still there in operation. Every once in a while our district attorney will issue a statement that there shall be no slot machines in Reading, and they make a raid on the machines. Then in a short period of time, they are back in use again.

Senator WILEY. I suppose that is a direct reflection upon the law-enforcement officers, the local law-enforcement officers. But as far as the Federal Government is concerned, we have really no jurisdiction in cases like that unless you can show that there is some interstate connection. Have you any information on that that there is some interstate commerce involved or interstate controls by racketeers, or something of that kind?

Reverend MATCHETTE. No, sir. I would not be able to say that I have positive proof of that.

The CHAIRMAN. Dr. Matchette, just in line with Senator Wiley's question, have you knowledge of the operation, openly, of bookmaking establishments?

Reverend MATCHETTE. Yes, we do; sir.

The CHAIRMAN. And do you know whether or not those bookmaking establishments, from any information that you have received, have wire connections, and that information comes in to them from outside the State?

Reverend MATCHETTE. That we do, sir.

The CHAIRMAN. Will you just be good enough to give us the benefit of your views on that.

Reverend MATCHETTE. Perhaps these two things would bring in the interstate aspect: The betting on horse racing. There are two establishments in Reading which are well known to our people, one within a short distance of the center of the city, and one within the shadow of the city hall itself. And one of them has the wire equipment so that the information does come in from out of the State concerning horse racing, and our local papers have published accounts of the existence of these places and the addresses, so that if there have been any people in our community who have doubted their existence, they have even read it in the local paper.

The numbers racket, likewise, is an open thing. In downtown Reading, and even the little 4 by 4 newsstands that are on the corners of the street, numbers are written openly. It is impossible to go into a barbershop and even get a haircut or a shave without somebody coming in and playing the numbers, as well as in the local small stores on the corner.

Senator WILEY. What is the population of your town?

Reverend MATCHETTE. At the present time I am uncertain, sir.

Senator WILEY. Give us an approximation.

Reverend MATCHETTE. I think 110,000 on the last census, and yet I am not exact on that figure. There has been a slight decrease, but it is in that neighborhood.

Our folks have felt that this gambling is widespread and there seems to be an organized unit behind it, and all of our religious faiths interested in trying to have a better community in which to live held a meeting in which the district attorney, John E. Ruth, was asked to be present, concerning the gambling and crime in our community.

The CHAIRMAN. Doctor, I was going to ask you particularly about this general phase, this phase of the matter, as to whether or not the conditions were brought to the attention of the various law-enforcement officials and other authorities by you and the other public-spirited citizens, and whether they were acquainted with the facts, and those facts were made known to them, and, if so, what, if any, action was taken by them.

Reverend MATCHETTE. We did call it to their attention, first of all, to the district attorney, on May 2, 1949. And while present with us, he did not deny the existence of gambling, the fact is that he defended gambling. He said that it is a part of the life of the community. We just have to accept it. It is the philosophy of life.

Many of our good citizens are involved in this, and therefore, he said, it puts its stamp of approval on it. Then he went on to say that he as a public elected officer of law enforcement felt that there was nothing he could do for two reasons: First of all, he had a small staff at his disposal, and therefore he was excluding the city of Reading, which is part of Berks County; and in the second place, he said that he was elected as a prosecutor and not an investigator. He would spend his time prosecuting, and anybody who was brought before him would be prosecuted to the full extent of the law. He felt that his job was not that of an investigator.

Then a month later, on June 13, 1949, the mayor of Reading, John Davis, was also invited to meet with our religious leaders and he did so. We discussed this gambling and crime issue and he did not deny the existence of gambling and crime in Reading, but uttered a phrase

that has gone out over the wires and been in our papers. Reading is no worse than any other city of its size, was the usual comment that he made. He did not feel that it was his responsibility or duty as head of the police force to rid the city of Reading of gambling and crime.

Again, he said it is part of the nature of our people here in Reading. They want it. And then when we asked whether or not as head of the police department he did not have the authority to go out and to try to stamp out the areas where crime exists, he replied by saying that gambling will cease to be a problem if we as ministers induce our people to stop gambling. But as a law enforcement officer, he did nothing at all concerning our request. He definitely said that if anything is to be done, it has to be done by the ministers.

Senator WILEY. Is there any other crime, such as legalized prostitution up there?

Reverend MATCHETTE. There has been. It has been at the present not part of our particular study. There is a rumor that it exists, but we have not included that in our particular study.

Senator WILEY. How about drug addicts, and marijuana and heroin being fed to the youngsters; is there any of that up there?

Reverend MATCHETTE. Not to my knowledge.

Senator WILEY. What I am getting at is that you say, not to your knowledge. Do you not think that is a pretty important matter to investigate?

Reverend MATCHETTE. Sir, if it does exist, it perhaps is on a very small scale, because in talking to our physicians, at least, none of them has stated that he knows of any wide use of drugs and many times the physicians are in a position to know whether folks are using it constantly.

Senator WILEY. How about feeding youngsters intoxicating drinks? You have I suppose, ordinances and State statutes making it illegal to sell intoxicating liquors to youngsters under age.

Reverend MATCHETTE. That is right. There are such things.

Senator WILEY. Are those enforced?

Reverend MATCHETTE. I would have no definite evidence. We have seen youngsters with fathers enter bars, but I personally have no positive proof, individually.

Senator WILEY. Are there other crimes? Larceny, robbery, or rape? Does any of those things happen up there?

Reverend MATCHETTE. Yes; they do.

Senator WILEY. Is there inadequate police protection or police surveillance?

Reverend MATCHETTE. Yes. Even our mayor states that our police force is not adequate to have enough policemen on the streets, especially in the night hours. Even in the city council meeting, he has advocated the increasing of the police force, that this might be done. But it is not at his full-strength report even at the present time.

Senator WILEY. So far it seems to me that your testimony clearly indicates—and I want to be sure that I understand and interpret it correctly—that the people of Reading want to play these games. They got in the habit of wagering, or betting, and some of the people in the churches feel that in view of the ordinances and the statutes, those things should be curtailed. Have I analyzed it right?

Reverend MATCHETTE. That is right.

Senator WILEY. But in view of the fact that the officials feel that there are great public sentiments against curtailing the inclination of the people to play these games and play the races, and so forth, they feel they have no obligation to follow the letter of the statute; rather they should follow the spirit of the people; is that it?

Reverend MATCHETTE. That is right; yes, sir.

Senator WILEY. Very well.

The CHAIRMAN. Doctor, is it also true that in addition to the vigilance and the activities of the church groups, a number of the civic organizations have also taken cognizance of this matter?

Reverend MATCHETTE. Yes; a goodly number have.

The CHAIRMAN. Is it not true that they took formal action in condemnation of it?

Reverend MATCHETTE. Yes. Many of them published their action in the local papers, and, according to the papers, said that they were communicating with your committee their stand upon the issue.

The CHAIRMAN. That is very true, Doctor. May I just ask you whether or not this viewpoint is correct, and whether we get the proper understanding from it? Of course, while there are other crimes possibly being committed, such as prostitution and other things that might be done clandestinely, with regard to this particular group of activities, they more or less are being done openly?

Reverend MATCHETTE. That is right.

The CHAIRMAN. Am I correct in that understanding?

Reverend MATCHETTE. Yes; quite openly. It is quite known in the community that these types of crimes and gambling do exist.

The CHAIRMAN. Is it a fact that the bookmaking establishments, for example, are open and in operation daily and regularly? Is that pretty well known, and the places known about?

Reverend MATCHETTE. Yes, it is. That is why our people have a feeling of frustration. These things continue openly, and our law-enforcement officers have given us no assurance that they would attempt to blot it out; and a private investigation was carried on by a group of local citizens. They employed a former newspaperman to see what he could uncover in the way of organized crime in our community, and the findings of this gentleman were turned over to Mr. McDonnell and his staff, and Mr. Bucher, when it became known they were in Reading.

Then also when the former Kefauver committee report was published, our group studied the report and followed through the suggestion that crime is basically a local thing. And we wrote to the district attorney, the mayor, and the chief of police of Reading. We called to their attention that law enforcement is basically a responsibility of local agencies, and that they do all in their power to rid Reading of gambling and crime. To this date, they have not even replied or acknowledged that they received a letter. It has been completely ignored.

Senator WILEY. If you claim that there is inability because of the lack of sufficient police force, that is one thing; if you claim that there is a deliberate unwillingness to comply with the statute law, you have your remedy. You have a remedy to speak to the Governor. The Governor under most State laws, when a showing is made of

deliberate unwillingness to comply with the law, can immediately remove the district attorney, and then the district attorney will have a chance to be heard.

I think the same might apply to city attorneys under the city ordinances. But I think that your testimony shows that there are two aspects to this problem: First, the police feel that they do not have adequate facilities; secondly, I think you have indicated that the district attorney has said that because of the spirit of the people that want these gambling devices, he does not think that he should enforce the law. Of course, legally that is no excuse whatever. The law is there, and it is a mandate to him. And you have a perfect right to feel under the laws of Pennsylvania—this is in Pennsylvania, is it not?

Reverend MATCHETTE. That is right.

Senator WILEY. All right. Now, you just ask whoever is advising you to see what complaint can be made and to whom. I know that in my State it is common practice for the Governor to suspend the district attorney right off the bat if he does not do what the law says he should do. And I am sure that is true in Pennsylvania and elsewhere.

Reverend MATCHETTE. I know our people have been very much encouraged since the O'Conor committee has begun an investigation of Reading, because at the moment it became publicly known that representatives of your committee were conducting the investigation, interest began to flame on a high pitch, counteracting the viewpoint of the officials that the community wants it. With wholehearted support that came forth when it was made known that Mr. McDonnell and his staff were there and would receive information concerning crime, they began to pour into his established office and to give this support. People wrote telegrams and letters. There is where your civic clubs began to take the issue, because they felt, "Here is an opportunity to express ourselves and to show that we are in keeping with good law and good government, rather than the crime and racketeering that has been existing."

Senator WILEY. It is very important, sir, that right now people get an understanding of our Government. We are a government of laws. No man, no public official, is above the law. And if it is the law of your State and the law of your city as set forth in the ordinances, it is the function of the public servant to enforce that law, or that ordinance. It is not for him to try to listen to any individual or group of individuals as to what he should or should not do. He should carry out the spirit and intent of that law. If it is a bad law, the enforcement of it will bring its revocation. They might provide for a modification of the ordinances, so that within some reason some of these things that are the will of the people could be done. But if the ordinances are emphatic on the subject, there is nothing else for the public official to do except to carry out the mandate of that law. And that is true of Federal officials, too. Many of them want to interpret the law their way, whereas it is really our job, once the law is passed, to see that the executive or administrative branch of the Government carries out the intent of the legislative branch.

Reverend MATCHETTE. Sir, just to show you the brazenness of those who are at the head of these different rackets, after it was publicly

announced in our local papers—and Herbert Kohler, our editor of the Times, has given a great deal of space to it and has written editorials upon it, revealing the facts where gambling has taken place—even while the investigation was going on and people knew that they were being investigated, the crime continued. In other words, the betting on horse racing did not get carried on at the established places of business, but they took another basement room, and still got the information over the wire machine, and you could see periodically this particular man running from 31 Poplar Street over to the new address, so that the betting on horse races could continue.

The numbers racket is written openly so that you could go right in the center of the city, and still write the numbers while the investigation is going on.

Now, we feel that there is something wrong. Our local authorities are paying no attention at all that gambling is there. A Federal investigation is going on, and still the local authorities have not stepped into the picture. That is why our good citizens have been very much concerned, and are appreciative of the fact that your committee has selected Reading and sent to it Mr. R. P. S. McDonnell and Mr. Joseph Bucher, because they have done an excellent job. They have been hard at work; they have been conscientious. They have been thorough in the information given to them. They have followed it through, and it is our hope that your committee will be able to get the interstate crime and bring forth the names of those who are the heads of the rackets.

We realize that the other gambling is a local situation. But we feel that if the interstate crime and the heads of it can be exposed and punished, those who are guilty, then perhaps we locally through the organization of a crime commission can put enough pressure on the local authorities to see that the others are brought to trial and punished for their crimes.

The CHAIRMAN. Dr. Matchette, do you not feel that if the wire service from outside the State is essential to the continued operation of the bookmaking establishments and is an encouragement to it, and if that is in the hands of racketeers or of gangsters or any such syndicate operations, that ought to be attacked at that point so as to reduce the flow of information from one State to another, aiding and encouraging the continuation of illegal gambling in that form?

Reverend MATCHETTE. That is right, sir. We believe if that source of information were cut off the gambling could not continue at the rate that it does.

The CHAIRMAN. Is there anything further, Dr. Matchette, that you have?

Reverend MATCHETTE. We wish to submit respectfully these reports. They are newspaper clippings and copies of letters which we have sent to our law-enforcement officers, if you would like to have them as part of your committee records.

The CHAIRMAN. We will have that filed for reference. It is not all to be copied into the record, but for reference to the committee, and we would like to have it.

I might say, Doctor, in confirmation of your statement as to the reaction of the citizenry, we have received great numbers of communications from your citizens expressing indignation at the conditions.

Reverend MATCHETTE. Thank you, sir, for acknowledging that. We are glad to hear that.

The CHAIRMAN. Yes, indeed.

Senator WILEY. Did you say that in this folder you have those editorials of that newspaper?

Reverend MATCHETTE. Yes, we do.

Senator WILEY. I think that a word of praise is to be said for any editor of any newspaper that accepts as his responsibility not preaching, because that is your function, but definitely calling to the attention of the people those things that would deteriorate the lives, particularly of the coming generation. I think that the responsibility of newspapermen now is extremely serious. They can point the way of the community and national life to better things, or they can simply feed the community to scum and make no constructive contribution. So I say "All hail" to this man if he has joined in your effort to try to clean up this mess.

Reverend MATCHETTE. Mr. Kohler has, we feel, done an excellent job of helping to bring this editorially before our people.

Senator WILEY. Is he any relation to our Governor? His name is Kohler also, in Wisconsin. He is a good man, too.

Reverend MATCHETTE. In that respect he is related, then.

Senator WILEY. Could he be a Republican, sir?

Reverend MATCHETTE. I do not know his party.

Senator WILEY. All right.

The CHAIRMAN. Mr. Rice.

Mr. RICE. Let me ask you this, Dr. Matchette. You mentioned about there being slot machines in the clubs there, of the one-arm bandits style. Now, are there any console-type slot machines in places other than clubs, for instance, drug stores or public places?

Reverend MATCHETTE. Yes. Console machines are almost as prevalent as the punchboard.

Mr. RICE. And they pay off in cash?

Reverend MATCHETTE. Not always. It depends on the establishment. Sometimes it is in trade.

Mr. RICE. I see. Or sometimes if it does not pay off in cash you get a number of free plays, but you can go to the proprietor and receive that in cash?

Reverend MATCHETTE. That is right. There are many ways of paying off part of it.

Mr. RICE. I see, sir. Now, about the punchboards that you mentioned a while ago, are those the type of punchboards that pay off in cash?

Reverend MATCHETTE. Some are; some are in merchandise.

Mr. RICE. I see.

Reverend MATCHETTE. It is a wide variety, sir.

Mr. RICE. So far as you know, both the slots and the punchboards are illegal in Pennsylvania, are they not?

Reverend MATCHETTE. That is right.

Mr. RICE. Have you ever noticed any stamps on the punchboards or slot machines? I understand there is a pagoda stamp, or something, that they use up there. What is that about, or do you know?

Reverend MATCHETTE. That I do not know, sir.

Mr. RICE. You have not read about the protection stamp that goes on for some of the punchboards?

Reverend MATCHETTE. That is our belief, that there is a protection, but I have not read concerning of what that particular stamp is.

Mr. RICE. Yes; I understand that there was a stamp sometimes fixed on these indicating that there was a protection proposition. Your association does not know about that?

Reverend MATCHETTE. I personally do not.

Mr. RICE. I see. Now, we appreciate that you are probably not an expert in the jurisdiction of various law-enforcement agencies. But on these various gambling violations, do you know whether or not the State police has jurisdiction over those things or not in your town?

Reverend MATCHETTE. That, sir, I do not know.

Mr. RICE. And how about the sheriff's office?

Reverend MATCHETTE. I think so and yet, sir, I am not positive. But I think he does.

Mr. RICE. But you have taken your complaints to the police department?

Reverend MATCHETTE. That is right; yes, sir.

Mr. RICE. And how about the grand jury? Have there been any grand juries?

Reverend MATCHETTE. No, sir. We felt that first of all we had to have some iron-clad information because this gambling seems to be organized and we are afraid that if anything were brought out prematurely it would only be whitewashed. And that is why we have welcomed the investigation of this committee because we feel that it will highlight some of the things that we have been seeing.

Mr. RICE. Very well, sir.

I have no further questions.

The CHAIRMAN. Dr. Matchette, we feel that you are performing a very necessary service and doing it in a very commendable manner. We thank you very much for all the assistance that you have given us.

Reverend MATCHETTE. Thank you, sir, and I thank your committee.

The CHAIRMAN. Mr. Williams.

Mr. Williams, will you raise your right hand, please. In the presence of Almighty God, do you swear that the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. WILLIAMS. I do.

TESTIMONY OF THOMAS A. WILLIAMS, READING, PA.

The CHAIRMAN. Now, your full name, please?

Mr. WILLIAMS. Thomas A. Williams.

The CHAIRMAN. And, Mr. Williams, what is your address?

Mr. WILLIAMS. 820 Penn and 57-59 South Sixth. I have two.

The CHAIRMAN. Yes. And the first one is 820 Penn Street?

Mr. WILLIAMS. That is right.

The CHAIRMAN. Reading, Pa.?

Mr. WILLIAMS. That is right.

The CHAIRMAN. And how long have you lived in Reading?

Mr. WILLIAMS. About 40 years, off and on.

The CHAIRMAN. What has been your business?

Mr. WILLIAMS. I was in the hotel business and I was also in the fish business.

The CHAIRMAN. And you do own real estate there?

Mr. WILLIAMS. That is right.

The CHAIRMAN. Now, Mr. Williams, may I ask you while you are on the stand to talk into the microphone there as clearly and distinctly as you can, please, during the time that you are on the stand.

Mr. WILLIAMS. Yes, sir.

The CHAIRMAN. Thank you for your cooperation.

Mr. Rice, proceed.

Mr. RICE. I think at this point, Mr. Chairman, before going to Mr. Williams' testimony, I would like to offer for the record a letter of June 7, 1951, addressed to the committee from the Western Union Telegraph Co. over the signature of E. R. Shute, the vice president. We had written to Western Union and asked them for the identity the location of the various Western Union-serviced racing wire drops in Pennsylvania, and in response to our request, this letter was received, indicating that as of June 7, 1951, there were two racing-wire drops or tickers in Reading. Those were located at 601 Franklin Street, under the name of Ben Moyer, and it was installed for the last time on March 22, 1950, and it was discontinued on May 28, 1951.

That happened to be the date, May 28, 1951, when it was announced that the committee was doing some investigative work in Reading.

The other ticker or drop was located at 31 Poplar Street in Reading under the name of Moyer AC. That was installed the last time on March 4, 1950, and as of the date of this communication, which was June 7, 1951, it was still in service; it was still operating.

May I offer that as an exhibit?

The CHAIRMAN. It will be introduced.

The CHAIRMAN. If I recall Dr. Matchette's testimony, it was to the effect that the 31 Poplar Street address was given by him. Do you remember that, Mr. Williams?

Mr. WILLIAMS. Yes.

The CHAIRMAN. That is the same location that Dr. Matchette referred to?

Mr. WILLIAMS. That is right. But I do not know anything about it.

The CHAIRMAN. I was not, of course, asking you to bear it out. But as a resident of Reading I thought you would know if that was the location.

Mr. WILLIAMS. I know the location and all that sort.

Senator WILEY. You mean a preacher knows more about all this than a businessman?

The CHAIRMAN. Go ahead, Mr. Rice.

Mr. RICE. Mr. Williams, you are a retired businessman, are you not?

Mr. WILLIAMS. That is right.

Mr. RICE. And directing your attention to the address, 601 Franklin Street, where it was indicated that there was a ticker, is that also another address there on the corner?

Mr. WILLIAMS. There is no such thing as 601 Franklin. It is 57-59 South Sixth.

Mr. RICE. That is 57-59 South Sixth?

Mr. WILLIAMS. That is where I bought the property, under that number.

Mr. RICE. Yes. Now, you bought that property there and it must be on the corner of Franklin?

Mr. WILLIAMS. That is right.

Mr. RICE. Now, tell us about your acquisition of the property and how you acquired it, and what the circumstances were, as briefly as possible, and how it happened that this set-up started there.

Mr. WILLIAMS. This property is on the corner.

Mr. RICE. Yes, sir.

Mr. WILLIAMS. 57 is the hotel entrance; 59 is the restaurant entrance. And down here is an entrance that goes into the basement. That is an entrance that goes down here on Sixth Street into the basement, but it never had no number.

Mr. RICE. We would like to ask the photographers not to disturb the witness, if possible.

Mr. WILLIAMS. That was all right. But I did not expect it.

I bought that place in 1946, in September. I bought it from the Reading Trust Co.

Mr. RICE. You bought the whole building?

Mr. WILLIAMS. The building; yes, sir. And at that time there was a game in the cellar, a horse book.

Mr. RICE. There was a horse book going on then?

Mr. WILLIAMS. That is right, and had been for years before I bought the place.

Mr. RICE. Yes, sir.

Mr. WILLIAMS. Evidently I wanted them to stay. I am not the minister, now. Where would I ever get the amount of rent out of that place, the basement, if I didn't get it out of that, which was legal as far as the city and county and State were concerned—they wouldn't say anything about it.

Mr. RICE. All right, sir. Did you buy the place as an individual? I beg your pardon?

The CHAIRMAN. We will have to ask the photographers, definitely, while the witness is testifying, not to take pictures. It disturbs him, very obviously. At the outset any pictures can be taken, but not during the course of his testimony.

Mr. RICE. You say you had someone associated with you?

Mr. WILLIAMS. Mr. Liever, Joseph Liever.

Mr. RICE. How do you spell that Liever?

Mr. WILLIAMS. L-i-e-v-e-r.

Mr. RICE. And what was the nature of his business?

Mr. WILLIAMS. He is in the bonding business.

Mr. RICE. He is in the bonding business?

Mr. WILLIAMS. Yes, sir.

Mr. RICE. All right, sir. What was the transaction? How much did you put up and how much did he put up?

Mr. WILLIAMS. We put up \$8,000 between us.

Mr. RICE. And at that time there was a horse book running down there?

Mr. WILLIAMS. That is right.

Mr. RICE. Now, then, what arrangements did you make with the operators of the horse book?

Mr. WILLIAMS. I didn't make no arrangements with them at all, nothing at all with them.

Mr. RICE. You are talking about the rent you got from them?

Mr. WILLIAMS. Yes; I got the rent.

Mr. RICE. Whom did you negotiate with for the rent?

Mr. WILLIAMS. I just took my receipts down and shoved it in the window and got my money.

Mr. RICE. Yes, sir. Whom did you negotiate with? You had a tenant there?

Mr. WILLIAMS. It was there before I went there.

Mr. RICE. Who was running it?

Mr. WILLIAMS. At that time, I didn't know. But I just recently knew.

Mr. RICE. Yes. Now, you had, then, a tenant in the place, and you collected rent?

Mr. WILLIAMS. That is right.

Mr. RICE. Whom did you negotiate with?

Mr. WILLIAMS. Joe Adams.

Mr. RICE. Joe Adams?

Mr. WILLIAMS. Joseph Adams.

Mr. RICE. And he was the man down there whom you negotiated with about the rent?

Mr. WILLIAMS. About the rent.

Mr. RICE. And how much rent was decided upon?

Mr. WILLIAMS. \$150 a month.

Mr. RICE. Did you collect the rent from Joe Adams every month?

Mr. WILLIAMS. No. I didn't collect it at all. They would be at the window. I would put my receipt down there and they would give me the money.

Mr. RICE. What did Mr. Liever have to do with this? Anything?

Mr. WILLIAMS. Nothing at all.

Mr. RICE. Are you sure about that?

Mr. WILLIAMS. Not that I know of. All he had to do was with me as a copartner.

Mr. RICE. He had you as a copartner?

Mr. WILLIAMS. That is right.

Mr. RICE. Now, did he share the rent, or the proceeds?

Mr. WILLIAMS. Part of it. You understand, I had the rooms and all upstairs and the restaurant, and all.

Mr. RICE. Yes.

Mr. WILLIAMS. The other part, he did not, outside of the rent that he gave to me from downstairs. He collected this rent and gave it to me, part of the time, now. Only part of the time that was.

Mr. RICE. There came a time when the rent was reduced, did there not?

Mr. WILLIAMS. On the operation; yes.

Mr. RICE. What happened then?

Mr. WILLIAMS. They simply forgot all about the \$150 and gave me about \$50 a month.

Mr. RICE. And who was it that did that?

Mr. WILLIAMS. That was Mr. Fudeman.

Mr. RICE. Mr. Fudeman?

The CHAIRMAN. What is his name? Can you keep your voice up, Mr. Williams?

Mr. WILLIAMS. Fudeman.

The CHAIRMAN. How do you spell that?

Mr. RICE. It is F-u-d-e-m-a-n.

Mr. WILLIAMS. That is right.

Mr. RICE. Now, was it Alex Fudeman or Louis Fudeman?

Mr. WILLIAMS. Alex.

Mr. RICE. And Alex Fudeman gave you the rent?

Mr. WILLIAMS. That is right.

Mr. RICE. Can you establish the time? Do you remember about when that was?

Mr. WILLIAMS. Yes, I can. It was in the last 2 or 3 days of May, around about the 28th of May.

Mr. RICE. This year?

Mr. WILLIAMS. Oh, yes.

Mr. RICE. Of this year?

Mr. WILLIAMS. Yes. I am not sure about that date, now.

Mr. RICE. Then before that there was a time when the rent was reduced; was there not?

Mr. WILLIAMS. Before that?

Mr. RICE. Yes. Before May of this year, your rent dropped to \$50, or something like that?

Mr. WILLIAMS. That is right. That was about a year or so ago.

Mr. RICE. What was the reason for that?

Mr. WILLIAMS. The same thing. They quit operations.

Mr. RICE. There was a shut-down?

Mr. WILLIAMS. Yes.

Mr. RICE. Do you know the reason for the shut-down?

Mr. WILLIAMS. No, I don't know anything about it.

Mr. RICE. Has Adams disappeared?

Mr. WILLIAMS. Adams I haven't seen for quite a little while.

Mr. RICE. But Fudeman has taken over?

Mr. WILLIAMS. I imagine so. Now, I am not positive of that.

Mr. RICE. Now, when you collect your rent, do you go down in the place?

Mr. WILLIAMS. I have to go there to the boiler room.

Mr. RICE. You have to go through it to get to your boiler room?

Mr. WILLIAMS. My boiler room.

Mr. RICE. What do you see when you go in the basement?

Mr. WILLIAMS. Just a lot of men there; nothing unusual.

Mr. RICE. Is the door barred?

Mr. WILLIAMS. No, sir. The door is wide open.

Mr. RICE. You can walk right in off the street?

Mr. WILLIAMS. That is right.

Mr. RICE. And what is in the room?

Mr. WILLIAMS. They have their offices and their tables, and so forth.

Mr. RICE. Do they have any cages, cashier cages?

Mr. WILLIAMS. An office.

Mr. RICE. An office.

Mr. WILLIAMS. They have a blackboard.

Mr. RICE. And they have wall charts?

Mr. WILLIAMS. Yes.

Mr. RICE. What do they have on the charts?

Mr. WILLIAMS. I never made a bet in my life on a horse. I bet on other things. But they had a blackboard and they had horses on this.

Mr. RICE. Horses' names, and the track?

Mr. WILLIAMS. And the track.

Mr. RICE. And if it should happen that you would feel like making a bet while you were in there, it would be perfectly possible to do it, would it not?

Mr. WILLIAMS. Sure, it would, and I would.

Mr. RICE. Was any loudspeaker going on, or any announcements about winners, or anything like that?

Mr. WILLIAMS. Yes; they have, I think, two, one at each end of the room.

Mr. RICE. Two loudspeakers?

Mr. WILLIAMS. That is right.

Mr. RICE. And that gives the running of the races sometimes?

Mr. WILLIAMS. That is right.

Mr. RICE. And the pay-off and the race results, and things like that?

Mr. WILLIAMS. That is right.

Mr. RICE. All right, sir. Now, when Fudeman took over, has he paid you directly? Have you collected directly from Fudeman?

Mr. WILLIAMS. Only once.

Mr. RICE. Only once?

Mr. WILLIAMS. That is right.

Mr. RICE. And that was \$150?

Mr. WILLIAMS. That was recently.

Mr. RICE. Now, is Fudeman, to your knowledge, related to anyone named Minker?

Mr. WILLIAMS. Not that I know of. I am not positive of this, now. I know both of them.

Mr. RICE. I heard he was a nephew of Minker's. You have not heard that?

Mr. WILLIAMS. Yes; I have heard it.

Mr. RICE. What is the set-up in the place now? You still own the building?

Mr. WILLIAMS. I own the building.

Mr. RICE. And does Liever still have an interest in it?

Mr. WILLIAMS. No.

Mr. RICE. What happened then?

Mr. WILLIAMS. I paid him off.

Mr. RICE. You paid him off. How long ago was that?

Mr. WILLIAMS. February 11, 1950.

Mr. RICE. February 11, 1950?

Mr. WILLIAMS. Right.

Mr. RICE. Liever moved out?

Mr. WILLIAMS. Liever was never in there. He was a copartner of mine.

Mr. RICE. Yes. At the time that Liever took over, there was not any question but what he knew there was a horse book in there?

Mr. WILLIAMS. That seemed to be so.

Mr. RICE. As a matter of fact, it was part of the deal that the horse book would continue to operate; was it not?

Mr. WILLIAMS. I do not know. It wasn't part of the deal. Just let it go at that.

The CHAIRMAN. Of course, it was a sort of tacit understanding?

Mr. WILLIAMS. Well, there was an understanding; yes. And I wanted them to stay as bad as they did.

The CHAIRMAN. You are being very truthful and frank about it.
Mr. WILLIAMS. I would be.

The CHAIRMAN. The fact is that you really took the building with the expectation that the book could carry on?

Mr. WILLIAMS. When I took the building, brother, I never thought about the bookie, but when we were in there, let them stay.

The CHAIRMAN. That is right. You knew they had been there?

Mr. WILLIAMS. I knew they had been there for years before that.

The CHAIRMAN. And you certainly did not want them to go?

Mr. WILLIAMS. I am not a stickler.

Senator WILEY. What is your total investment in the building?

Mr. WILLIAMS. It is \$33,000.

Senator WILEY. You paid \$8,000 down?

Mr. WILLIAMS. That is right.

The CHAIRMAN. Mr. Williams, has the operation of the loud-speakers and the blackboard arrangement continued all over the period, too; as far as you know?

Mr. WILLIAMS. Yes; I think so.

Senator WILEY. How much do you owe on it now?

Mr. WILLIAMS. I beg your pardon?

Senator WILEY. How much do you owe on the building?

Mr. WILLIAMS. About \$24,000.

Mr. RICE. Do you know a man by the name of Ben Moyer?

Mr. WILLIAMS. No. I might know him by sight, but not by name.

Mr. RICE. He is an individual unknown to you?

Mr. WILLIAMS. Yes.

Mr. RICE. I have a list here of some rentals paid, some of it either to or from Mr. Liever in connection with Mr. McQuillen. What is the reason for that?

Mr. WILLIAMS. I don't know.

Mr. RICE. Who are you paying rent to? Are you paying any rent?

Mr. WILLIAMS. Who?

Mr. RICE. You.

Mr. WILLIAMS. Who to? No, I am not paying any rent.

Mr. RICE. What does Mr. McQuillen have to do with this?

Mr. WILLIAMS. He was my attorney, and Joe Liever's attorney, too.

Mr. RICE. He was Liever's attorney?

Mr. WILLIAMS. And mine.

Mr. RICE. Was he collecting rents some of the time?

Mr. WILLIAMS. Some of the time. He has my power of attorney with my bank.

Mr. RICE. I see. Now, I see there were some collections of J. M. Liever, representative, in connection with this account. What is that for?

Mr. WILLIAMS. This was the rent that Joe had collected from the people downstairs, and Mac was willing to take this over so that I wouldn't pay any commissions to the bank.

Mr. RICE. I see. And sometimes Mr. Liever collected the rent from downstairs?

Mr. WILLIAMS. Yes.

Mr. RICE. From the horse book. And then he turned it into the joint proposition?

Mr. WILLIAMS. Yes.

Mr. McDONNELL. Mr. Williams, will you explain to this committee how Mrs. Liever fitted into this transaction? Would you explain to this committee the circumstances of your utter surprise when you found out certain things about Mrs. Liever's position in this transaction?

The CHAIRMAN. Just one question at a time.

Go ahead.

Mr. WILLIAMS. When I got this money off Joe Liever—

The CHAIRMAN. Will you be good enough to keep your voice up, so that everybody can hear you?

Mr. WILLIAMS. I will.

The CHAIRMAN. Thank you very much.

Mr. WILLIAMS. I didn't know that that money was coming from Mrs. Liever at that time. It came from Joe to me, or to the bank, rather. When we went to make the settlement here on February 11, 1950, I found that it was Mrs. Liever who had this mortgage, a copartner half mortgage from this property that we had bought, and I didn't know anything about it until that time.

Mr. McDONNELL. Did Mrs. Liever personally or through any representative perhaps suggest rather strongly that certain foreclosure action might be brought?

Mr. WILLIAMS. Mrs. Liever? I don't know. She never made the proposition to me. But that came to me through Mr. McQuillen, who was my lawyer, and also Joe's lawyer. He said "Tom"—my name—"get the money for Joe, because they are going to foreclose."

Mr. McDONNELL. And why would they want to foreclose?

Mr. WILLIAMS. I don't know.

Mr. RICE. Let me take you back a minute to where Fudeman took over. Fudeman appeared along about May of 1951; is that not right?

Mr. WILLIAMS. Yes, that is right, about that time.

Mr. RICE. And he wanted the arrangements to continue on there; did he not?

Mr. WILLIAMS. No.

Mr. RICE. Did he not have a conversation with you about that?

Mr. WILLIAMS. No. He said this, "You know, we are closed."

Mr. RICE. "We are closed"?

Mr. WILLIAMS. "We are closed."

Mr. RICE. Yes, sir.

Mr. WILLIAMS. And I said, "All right. That is fine. Now I have to get another tenant."

He said, "We will pay you \$50 a month for this month, but we can't pay any more than that."

I said, "All right. Well, I am going to get a tenant. I will look for a tenant now to take the vacancy."

Mr. RICE. Yes, sir.

Mr. WILLIAMS. But I knew very well I would never get \$150 for it.

Mr. RICE. Yes, sir. Now, did you not have a conversation with Fudeman whereby he would continue in there?

Mr. WILLIAMS. No.

Mr. RICE. Did you give him an understanding?

Mr. WILLIAMS. No.

Mr. RICE. Are you sure about that?

Mr. WILLIAMS. No, I don't think there was ever anything said about him staying there. He said this, I believe, "If we operate again, we

would like to have the room," or something similar to that. Now, what that was, I won't say exactly.

Mr. RICE. Was it contingent on paying the rent?

Mr. WILLIAMS. He hasn't paid rent since.

Mr. RICE. When did he stop paying rent?

Mr. WILLIAMS. I think about the 28th of May.

The CHAIRMAN. That is just about the time that this committee went in there?

Mr. WILLIAMS. That is right. That is about the time.

The CHAIRMAN. That is what caused it, is it not?

Mr. WILLIAMS. That is what caused it; yes.

Mr. RICE. I think that is all.

The CHAIRMAN. That is all, Mr. Williams. Thank you.

Mr. WILLIAMS. Are you through with me altogether, now?

Mr. RICE. We are for the time being. I think we would appreciate it if you would stay around for about an hour.

Mr. LIEVER.

**TESTIMONY OF JOSEPH LIEVER, PENNSIDE, PA., ACCCOMPANIED BY
WILLIAM J. HANLEY, ATTORNEY, HOBOKEN, N. J.**

The CHAIRMAN. Mr. Liever, will you raise your right hand. In the presence of Almighty God, do you swear that the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. LIEVER. Yes, sir.

The CHAIRMAN. You have no objection, I suppose, to photographs being taken at the outset?

Mr. LIEVER. I guess they will be taken whether I object or not. So why should I object?

The CHAIRMAN. And you are counsel?

Mr. HANLEY. Senator, my name is William J. Hanley, from 84 Washington Street, Hoboken, N. J. I am an attorney, and I am here with Mr. Liever.

May I at this time ask you this. Mr. Liever is not here as a defendant, is he?

The CHAIRMAN. No.

Mr. HANLEY. Yes.

The CHAIRMAN. I thought, counsel, that I had made it plain at the outset that no one is here as a defendant. All are here as witnesses and, of course, entitled to every consideration.

Mr. HANLEY. Thank you very much.

The CHAIRMAN. We are glad to have you representing him.

The only reason why I asked you about taking the pictures at the outset was that I did not want you to be interrupted.

Mr. LIEVER. I am not worried about it. They can take all the pictures they want, as far as I am concerned.

The CHAIRMAN. It might be better to have them taken at the outset so as not to distract you.

Mr. RICE. Your name is Joseph Liever?

Mr. LIEVER. Joseph Liever.

Mr. RICE. And where do you live?

Mr. LIEVER. My address? Home or office, do you mean?

Mr. RICE. Home.

Mr. LIEVER. 511 Carsonia Avenue, Pennside.

Mr. RICE. I think you had better spell that for the reporter.

Mr. LIEVER. The reporter, I guess, knows it.

Mr. RICE. The avenue.

Mr. LIEVER (spelling). C-a-r-s-o-n-i-a.

Mr. RICE. Carsonia.

The CHAIRMAN. How long, Mr. Liever, have you lived there?

Mr. LIEVER. About 25 years.

The CHAIRMAN. In the city?

Mr. LIEVER. In the city? Forty years, or 41 years.

The CHAIRMAN. And about 25 years in this particular location?

Mr. LIEVER. At this location; yes, sir.

The CHAIRMAN. I see. And what family do you have?

Mr. LIEVER. I have two daughters and a wonderful granddaughter.

The CHAIRMAN. And other brothers and sisters, or other relatives living in or around Reading?

Mr. LIEVER. I have brothers and one sister.

The CHAIRMAN. What business have you been engaged in?

Mr. LIEVER. Real estate, insurance, mortgages, loans.

The CHAIRMAN. Have you been engaged in that business all the time?

Mr. LIEVER. Thirty years. I have been a member of the real estate board and the National Real Estate Association for the last 25 years.

The CHAIRMAN. All right.

Mr. RICE. You have heard the testimony of Mr. William, I am sure.

Mr. LIEVER. Yes, sir.

Mr. RICE. And we are interested in knowing your side of the story on the acquisition of the property and the operation of the horse book down in the basement at the corner of Franklin Street. Will you tell us about that?

Mr. LIEVER. I can tell you about it as far as the purchase of the property is concerned. As far as any operation, I had nothing to do with any operation or any horse books or anything else.

Mr. RICE. Yes; I understand that you may not have had anything to do with the operation. But what was the understanding in connection with that? You knew the horse book was there, did you not, when you bought it?

Mr. LIEVER. I don't know what was there. You see, when we bought the property the same tenants were there for I don't know how long. There was no change in tenants or ownership except ownership of the building. As far as we were concerned, Mr. Williams came to me and asked me to finance the building for him. He wanted to go into the restaurant business.

Mr. RICE. Yes, sir.

Mr. LIEVER. And he was going to give me a percentage of the restaurant business.

Mr. RICE. Yes, sir.

Mr. LIEVER. So we made up an agreement with Mr. Williams that I was going to help him to buy the building; I was going to finance it for him and finance the restaurant, and he was going to pay me \$25 or \$20 a week from the profit of this restaurant.

Mr. RICE. Of the restaurant?

Mr. LIEVER. On the first floor, which he was going to operate.

Mr. RICE. All right. Now, you say that the book had been there for many, many years. How about the income from that? What was to be the arrangement with respect to the income?

Mr. LIEVER. I had nothing to do with any income or nothing. You see, he was the one, really, that bought the building. He came to me with a proposition and asked me to buy it. I practically financed the building for him, and he was paying me for financing, and he was supposed to pay me so much for the restaurant.

Mr. RICE. Yes, sir. Now, was there any conversation at all about the book that was there? When you bought the building, you knew there was a book there? Did you talk to Mr. Williams about that?

Mr. LIEVER. No.

Mr. RICE. You had no conversation at all?

Mr. LIEVER. No conversation at all.

Mr. RICE. You had a proposition, then, where I understood you to take \$25 a week from the restaurant part?

Mr. LIEVER. I was supposed to.

Mr. RICE. Who was to get the rent from the horse book downstairs?

Mr. LIEVER. He was collecting all the rents in the building.

Mr. RICE. He was collecting all the rents.

Mr. LIEVER. There were 18 rooms downstairs and upstairs and on the first floor. He was collecting all the rents. I had nothing to do with it.

Mr. RICE. What was the proposition of the building? Was it 50-50 in the ownership?

Mr. LIEVER. The agreement as entered into at first was 50-50. We bought the building. He needed the money. I had my wife's money. So I invested it for her. In fact, my wife didn't know a thing about it until it came time to satisfy the mortgage. She didn't know there was a mortgage there.

Mr. RICE. It was a 50-50 proposition. He was to run a restaurant and get \$150 from the book down there, but all you got out of it was \$25?

Mr. LIEVER. I didn't know anything about it. There was no \$150 at the time we took over the restaurant. There was no \$150 rental there.

Mr. RICE. There came a time when there was a \$150 rental, did there not?

Mr. LIEVER. There might have been sometimes.

Mr. RICE. And you collected the rent sometimes?

Mr. LIEVER. I never collected the rents. You see, he was behind in his payments. He never paid me any interest, and also money that he was supposed to pay me on the judgment note that I gave him for \$1,500. So I said to him that if I don't get no rent or money I would have to force the issue on the mortgage or on the judgment.

Mr. RICE. I see.

Mr. LIEVER. Then somebody brought in rent to my office. I have a real-estate office.

Mr. RICE. I see.

Mr. LIEVER. And left the rent there, and I never collected the rent personally. I never bothered with any collection. Then I turned it over to the attorney on account of the—

Mr. RICE. Now, how did it happen that somebody brought rent to your office from the book downstairs?

Mr. LIEVER. Plenty of fellows. How was it? I don't recall. But we wrote the lawyer a letter or something—

Mr. RICE. Whom did you write to?

Mr. LIEVER. There was a fellow that used to come and collect for Williams. And I told him—I don't recall just exactly the name—that he should see that I get some money up here.

Mr. RICE. Now, let me see if I get that straight now. There came a time when Williams owed you money in connection with these various transactions?

Mr. LIEVER. Yes, sir.

Mr. RICE. And you were endeavoring to collect that money?

Mr. LIEVER. Yes, sir.

Mr. RICE. Now, there was income coming from the horse book downstairs, and you knew that; so you were trying to make arrangements to have that come to you instead of Williams?

Mr. LIEVER. Yes.

Mr. RICE. How did you go about doing that?

Mr. LIEVER. I told the fellows that used to collect rents, or I might have sent somebody down—I don't recall how it was—but I got word there. I couldn't tell you exactly what it was. But I got word to somebody, either there was a fellow that used to collect the rent for Williams—I might have told him. I don't remember.

Mr. RICE. I do not understand you. A fellow that used to collect rents for whom?

Mr. LIEVER. For Tom Williams.

Mr. RICE. Now, who was that fellow that collected rent?

Mr. LIEVER. I don't recall his name. What was his name? He is a tenant there in the building.

Mr. RICE. He is a tenant?

Mr. LIEVER. Yes; in the building.

Mr. RICE. And you got in touch with him?

Mr. LIEVER. I don't recall exactly. I don't want you to hold me to anything that I am saying here or say that I am trying to tell you something that isn't true. I don't recall the incident exactly, but I know that I wanted to get some money up there on my account of the interest on the mortgage and the judgment. I had a \$1,500 judgment.

Mr. RICE. Now, when you wanted to collect that, did you ever go down to the basement there in the horse book?

Mr. LIEVER. No, sir.

Mr. RICE. Did you ever go down there?

Mr. LIEVER. No, sir.

Mr. RICE. You bought a building and never went down there?

Mr. LIEVER. No. Tom Williams is the one that came to me and told me about the building and he gave me the figures. He told me about the income and I never bothered, because we had a standing word; he bought the building but I financed it. I was just getting paid for the building.

The CHAIRMAN. You know, of course, that the bookmaking was going on?

Mr. LIEVER. I don't know what was going on. It might have been bookmaking. I don't know. But they always said the poolroom. I don't know what it was. I was never down there—

The CHAIRMAN. I did not ask you whether you were down there. But do you want us to believe that you did not know that the book-making was going on?

Mr. LIEVER. No more than hearsay; no more than hearsay.

The CHAIRMAN. But did you know it from hearsay?

Mr. LIEVER. Hearsay, yes; that there was a poolroom and a cigar store. That is what they called it. And usually there are a lot of poolrooms and cigar stores where they play horses.

The CHAIRMAN. Yes. But we are talking about this one.

Mr. LIEVER. This one, the same category.

The CHAIRMAN. But according to this information and the testimony here it was being operated openly with loud speakers and with a blackboard.

Mr. LIEVER. I don't know anything about it.

The CHAIRMAN. I did not say you say that or that you actually heard it. Was the so-called hearsay that you had gotten—

Mr. LIEVER. I didn't think at that time when we bought the building—that was about 5 years ago—

The CHAIRMAN. Yes. But how about the last 5 years during which the place has been openly operated?

Mr. LIEVER. I sold the building. I had no intention of holding the building. I merely financed Mr. Williams. A friend of his, the vice president of the bank, called me up and said to me, "Joe I am sending you over a fellow a very good friend of mine. I want you to help him out." And I helped him to finance the building. That is how I happened to get into it. I had no intention—I had no other business. I don't know anything about it.

Mr. RICE. Let me ask you this.

Mr. LIEVER. Yes.

Mr. RICE. How did you find out how much rent was being paid?

Mr. LIEVER. I didn't know.

Mr. RICE. Then how did you collect it?

Mr. LIEVER. I didn't know until the rent was sent in when I came in the office. I am not in the office all the time. When the money was sent in from Williams it was, rent; \$150. I didn't know anything about it. You see, Williams took care of all the rents as far as the arrangements were concerned. I am positive when we bought the building it was not \$150. It wasn't anywhere near that.

Mr. RICE. Will you tell us this? Will you say that you have never been in that room down there, never in your life?

Mr. LIEVER. I say to you that as far as the matter of collections is concerned, if I was there, I believe one time I was in the front part of the cellar where Mr. Williams wanted to show me something about the heating system. But the heater went bad one time and he needed money, and he came to me and asked me to give him a lift, and he needed the money for the heater.

Mr. RICE. And you went down there with him?

Mr. LIEVER. At the heater; yes.

Mr. RICE. And did you hear him say that in order to get to that boiler part you had to go through the horse room?

Mr. LIEVER. It was in the morning. There are no horse rooms there. When we went there there was nobody there. It was quiet. There were no horse rooms there when I was down there.

Mr. RICE. What did you see down there in the horse room part at that time?

Mr. LIEVER. Like any other poolroom. There were boards.

Mr. RICE. Did you see the wall charts and the cashier cages, and things like that?

Mr. LIEVER. I don't know whether this was a cashier cage. There were chairs there; there were tables. There was a cage. I don't know anything else that was there.

Mr. RICE. I think that is all, Mr. Liever.

Mr. HANLEY. May we go now?

The CHAIRMAN. Yes, I think so.

The CHAIRMAN. Mr. Kreitz, will you raise your right hand. In the presence of Almighty God, do you swear that the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. KREITZ. I do.

TESTIMONY OF RALPH S. KREITZ, READING, PA.

Mr. RICE. Mr. Ralph Kreitz.

The CHAIRMAN. Now, what is your name?

Mr. KREITZ. Ralph S. Kreitz.

The CHAIRMAN. Mr. Kreitz, you are going to have to do a great deal better than that for everybody to hear you. Can you move up a little closer and talk into the microphone.

Mr. KREITZ. Ralph S. Kreitz.

The CHAIRMAN. And what is your address?

Mr. KREITZ. 920 Douglas Street, Reading.

The CHAIRMAN. How long have you lived in Reading?

Mr. KREITZ. All my life.

The CHAIRMAN. What family do you have?

Mr. KREITZ. I have two brothers and a sister.

The CHAIRMAN. What business are you in?

Mr. KREITZ. I was in the slot-machine business.

The CHAIRMAN. And for how long were you in the slot-machine business?

Mr. KREITZ. On and off maybe for a period of twenty-some years.

The CHAIRMAN. Up until when?

Mr. KREITZ. Up until the end of May.

The CHAIRMAN. The end of May; this past May?

Mr. KREITZ. That is right.

The CHAIRMAN. And why did you stop?

Mr. KREITZ. The police chased us out.

The CHAIRMAN. In May?

Mr. KREITZ. That is right.

The CHAIRMAN. What date in May?

Mr. KREITZ. I would say around the 20th or 22d.

The CHAIRMAN. The 20th or 22d of May?

Mr. KREITZ. Yes.

The CHAIRMAN. Up until that time you had been allowed to operate?

Mr. KREITZ. Yes; we operated.

The CHAIRMAN. And had been operating at the same location?

Mr. KREITZ. No. You see, you operate on and off. You would be closed maybe a year or 2 years or 6 months or 10 months, and then it would start off again.

The CHAIRMAN. It would start off again. And how long had you been operating continuously before the day in May when you said that the police told you to stop?

Mr. KREITZ. I would say 14 months.

The CHAIRMAN. Fourteen months. All right.

Senator WILEY. How many slot machines do you own?

Mr. KREITZ. Approximately 100.

Senator WILEY. Do you own them personally?

Mr. KREITZ. Yes, sir.

Senator WILEY. Does anyone from outside the State have any interest in them?

Mr. KREITZ. No, sir.

Senator WILEY. How were they set? What would the average return be on them?

Mr. KREITZ. I don't know that you could set a machine. You buy them from the factory. You buy the slot machine and it has been set and you don't have to set it.

Senator WILEY. They are already set?

Mr. KREITZ. They are already set.

Senator WILEY. What percentage do you figure for the return?

Mr. KREITZ. I don't know. I ought to know. I would say that the profit would be about 5 percent.

Senator WILEY. Five percent. One hundred machines. When you were operating 14 months, what did you get out of it?

Mr. KREITZ. I imagine the profit was around—the net profit would run around \$60,000.

Senator WILEY. Sixty thousand dollars. And did you split that with the individuals where they were located?

Mr. KREITZ. No.

Senator WILEY. What did they get?

Mr. KREITZ. You see, a slot machine is put in 50-50.

Senator WILEY. That is what I thought.

Mr. KREITZ. But you don't get 50-50. Until you buy a—

Senator WILEY. You will have to speak louder.

Mr. KREITZ. I say, until you buy a half-barrel of beer on the location and treat him and different things, you would average on your profit on collection about 15 or 20 percent.

Senator WILEY. Let me get it, then, in terms of dollars. I think in 14 months you netted \$60,000?

Mr. KREITZ. That is right.

Senator WILEY. You yourself, personally?

Mr. KREITZ. That is right.

Senator WILEY. Then the locations got a similar amount?

Mr. KREITZ. They get more.

Senator WILEY. They get more?

Mr. KREITZ. That is right.

Senator WILEY. How much more?

Mr. KREITZ. They would—

The CHAIRMAN. You say \$60,000 represented about 15 percent?

Mr. KREITZ. That is right.

The CHAIRMAN. They would get six or seven times that much?

Mr. KREITZ. No. They would get about three times that much. You see, originally you had 50 percent.

The CHAIRMAN. Oh, yes.

Mr. KREITZ. And they had 50 percent. But for example if you went in a place and got \$50, you see what I mean, you would leave \$20 there for a half-barrel of beer and then you pay their lunch and things you had done. If you would up with 15 percent, it was a good profit.

The CHAIRMAN. So in other words, this \$60,000 would represent about a third of the amount and they, of course, would have gotten about three times that much?

Mr. KREITZ. That is right.

Senator WILEY. Then that would be about a fourth. If they got three times what you got, they got \$180,000 and you got \$60,000.

Mr. KREITZ. That is right.

Senator WILEY. Now, the thing I am interested in is, Where were these machines located generally?

Mr. KREITZ. Different organizations, fire companies, social clubs, different organizations.

Senator WILEY. Where?

Mr. KREITZ. Fire companies, social clubs, different organizations.

Senator WILEY. Saloons?

Mr. KREITZ. No; no slot machine has been in an open location. They were all in chartered clubs.

Senator WILEY. Were there any other people who had slot machines?

Mr. KREITZ. Oh, yes.

Senator WILEY. In other words, there were other people that owned large numbers of machines that placed them as you did?

Mr. KREITZ. There are a lot that place them and a lot own their own.

Senator WILEY. They own their own?

Mr. KREITZ. That is right.

Senator WILEY. How big an investment was this? How many machines did you say? One hundred?

Mr. KREITZ. Approximately 100 machines.

Senator WILEY. How big an investment did you have in the 100?

Mr. KREITZ. When I bought those machines they were valued at, say, some \$110, and then some would be worth \$265 to \$300.

Senator WILEY. How many years had you had them?

Mr. KREITZ. On and off I had a lot of these machines maybe 12, 15, or 18 years.

Senator WILEY. Twelve, fifteen, or eighteen years. And they were still working?

Mr. KREITZ. Oh, yes.

The CHAIRMAN. Had you been making at about that same rate?

Mr. KREITZ. Oh, no. You see, Senator, sometimes you don't work for 9 months, or you don't work for a year.

The CHAIRMAN. No. I mean when you were operating.

Mr. KREITZ. No. The last few years there has been more money around. Sometimes before that you barely lived.

Senator WILEY. You live on your fat, you mean?

Mr. KREITZ. That is right.

Senator WILEY. Well, that is quite a bit of fat, is it not, \$60,000 or \$70,000 in 14 months, net? But that is not what I am getting at. You say they were located in certain clubs, and so forth. How about having them placed where the youth of the community were subject to this—well, this allurement, let us call it that?

Mr. KREITZ. I would say there are no slot machines where the youth can get at them.

Senator WILEY. None?

Mr. KREITZ. No, sir. That would be my honest opinion.

Senator WILEY. By the \$60,000 net, do you mean net or did you have other expenses?

Mr. KREITZ. Yes, sir.

Senator WILEY. What would they be?

Mr. KREITZ. Wages for men who worked for me, and so forth.

Senator WILEY. Then let us get down to what you think your net operation was after paying all operations or deductible items. What would you have left?

Mr. KREITZ. I judge in a good year you would have left in the neighborhood of \$25,000 to \$30,000.

Senator WILEY. Did you have any other source of income?

Mr. KREITZ. I had a few consoles and I operated a few punchboards.

Senator WILEY. Where were the punchboards located?

Mr. KREITZ. The punchboards that I operated were in saloons.

Senator WILEY. What would they net you?

Mr. KREITZ. I would say nothing, to be honest, sir.

Senator WILEY. What about the consoles?

Mr. KREITZ. The consoles. They netted me something; yes, sir.

Senator WILEY. How many of those did you have?

Mr. KREITZ. Approximately 25.

Senator WILEY. What would you say they netted you in the period of a year?

Mr. KREITZ. That would have been included in that other money, Senator.

Senator WILEY. How much did you have invested in your consoles?

Mr. KREITZ. Some of them cost \$100, and some of them cost as high as \$650.

Senator WILEY. And your punchboards? You say you did not make anything off them?

Mr. KREITZ. No. I ran very few punchboards.

Senator WILEY. What?

Mr. KREITZ. I ran very few punchboards, maybe 10 or 12 locations, at the most.

Senator WILEY. Were they located where the youth could play them?

Mr. KREITZ. No; I would say not. They were for the saloons. They were not in candy stores. And they were not money boards.

Senator WILEY. During the time that you operated the consoles and the slot machines, did the police ever object, or did the enforcement officers ever object?

Mr. KREITZ. Oh, yes, at different times. If there were complaints the State police took the machines. The State police would chase them out of locations if there were objections made.

Senator WILEY. Do you still have the machines?

Mr. KREITZ. Do I have them now? Yes, sir. Not operating, though.

Senator WILEY. They have not been confiscated?

Mr. KREITZ. No.

Senator WILEY. You say at times the State police took them?

Mr. KREITZ. Yes, sir.

Senator WILEY. And then returned them to you?

Mr. KREITZ. No. When they took the machines they were lost.

Senator WILEY. How many have you lost?

Mr. KREITZ. I might have lost 40, 50, or something like that.

Senator WILEY. And then you got replacements?

Mr. KREITZ. Yes, sir.

Mr. RICE. Now, down through the years, sir, where have you obtained your machines from? I am talking about your slot machines, now.

Mr. KREITZ. Years back, I had bought some from the Mills Novelty Co.

Mr. RICE. You bought them from Mills, directly from Chicago?

Mr. KREITZ. Yes. That is going back, now, I would say 15 or 18 years ago.

Mr. RICE. Yes. Now, where else have you obtained them from?

Mr. KREITZ. Since that time, I have picked some up from Philadelphia.

The CHAIRMAN. Keep your voice up, will you not, so that everybody can hear you?

Mr. KREITZ. Yes.

Mr. RICE. From whom do you get them in Philadelphia?

Mr. KREITZ. I bought some from the General Coin Machine Co., and I had bought some from the Keystone Novelty Co.

Mr. RICE. From Keystone? How about M. B.?

Mr. KREITZ. I don't know where that is.

Mr. RICE. You bought them from Keystone. Whom did you deal with in Keystone?

Mr. KREITZ. I bought them from Hofficker.

Mr. RICE. From Hofficker, at Keystone, in Philadelphia?

Mr. KREITZ. That is right.

Mr. RICE. When was the last time you bought a slot machine?

Mr. KREITZ. I imagine a year ago or so.

Mr. RICE. About a year ago?

Mr. KREITZ. That is right.

Mr. RICE. And you bought that from Keystone?

Mr. KREITZ. I wouldn't know exactly if I bought the last from Keystone or if I bought the last from General Coin. But I haven't bought nothing since the ban went in.

Mr. RICE. When the law against interstate shipment went in, you have not bought anything since then?

Mr. KREITZ. I had not bought anything since 6 months previous to that.

Mr. RICE. What did you pay for the last one-armed bandit you bought? What was the market price on that?

Mr. KREITZ. I think it was something like \$225 or \$250.

Mr. RICE. \$250.

Mr. KREITZ. I imagine.

Mr. RICE. And what is the cheapest you ever bought one for?

Mr. KREITZ. The cheapest?

Mr. RICE. Yes.

Mr. KREITZ. Well, the cheapest I ever bought one, I might have bought some used machines that I rebuilt.

Mr. RICE. A new machine.

Mr. KREITZ. Oh, the cheapest of the new machines years ago were as low as \$115.

Mr. RICE. I see. Now, how about a console type? Have you bought any of those recently?

Mr. KREITZ. I haven't bought any of these since the ban went in.

Mr. RICE. But you were getting consoles in Chicago?

Mr. KREITZ. No; I never bought a console in Chicago.

Mr. RICE. You bought those in Philadelphia?

Mr. KREITZ. That is right.

Mr. RICE. Now, do you want to tell this committee that as far as you know, you have had no machines in any locations other than clubs?

Mr. KREITZ. That is right. Consoles we had in saloons. Now, get me right.

Mr. RICE. Yes.

Mr. KREITZ. But no slot machines. Slot machines have not been on an open location in Reading, I say, or Berks County, for 18 or 20 years.

Mr. RICE. Now, on your consoles, they have been in open locations?

Mr. KREITZ. Yes. They were free play.

Mr. RICE. They were what?

Mr. KREITZ. Free play. They were played for amusement purposes.

Mr. RICE. But if arrangements could be made, they could be made to pay through the proprietor or the bartender?

Mr. KREITZ. That you couldn't stop. You see, that would be out of my hands. They were instructed—

Mr. RICE. You would not be amazed, though, if that was going on, would you?

Mr. KREITZ. I would say no. There was a possibility. I would not want to answer that wrongly.

Mr. RICE. All right, sir. Now, there was some discussion a while back here about a stamp that went on some of the punchboards, or machines. Do you know anything about that?

Mr. KREITZ. I never had a stamp on a punchboard.

Mr. RICE. What do you know about these stamps? Scuttlebut, or grapevine, or what?

Mr. KREITZ. All I heard was hearsay, and that I couldn't prove.

Mr. RICE. What was the hearsay on that?

Mr. KREITZ. That you had to put a stamp on the punchboard.

Mr. RICE. And what did the stamp indicate?

Mr. KREITZ. The stamp at that time was to indicate, I guess, that it was O. K.

Mr. RICE. And by "O. K." what did that mean?

Mr. KREITZ. That you could run the board.

Mr. RICE. That you could run the board?

Mr. KREITZ. Without interference.

Mr. RICE. By whom?

Mr. KREITZ. I imagine they meant, when they meant interference, by the police. But I have never known the police to interfere if you didn't have a stamp on.

Mr. RICE. I see. So the stamp was not necessary, then, to fix it?

Mr. KREITZ. That is right. Our community, Senator, is a community that is more or less liberal. As far as I can go back—

The CHAIRMAN. Tell us about that.

Mr. KREITZ. I would say that slot machines have been running in clubs, and punchboards that have paid out merchandise have been running. Now occasionally some of the boys usually come in from out of town and break the line and they put out money boards. But they aren't out a week or two weeks before the officers chase them out.

The CHAIRMAN. What do you mean by "break the line"?

Mr. KREITZ. They come in and put out a money board which the local people do not want. They don't mind if you go in and punch a board for a box of candy or for a can of peanuts or for a shirt, if that was on there.

The CHAIRMAN. How about the one-armed bandits?

Mr. KREITZ. They are in clubs. And in a club, it was always taken for granted that that club was to be conducted for its own members. And you as an officer were not supposed to be in that club. You understand what I mean? That is the same way that you would find it all over the country.

Mr. RICE. You say the out-of-town boys come in? Has that happened occasionally?

Mr. KREITZ. Oh, yes.

Mr. RICE. What would they do?

Mr. KREITZ. They would come. And if they find a location that is open, some boards are in, some novelty boards or something are in, they will come in and talk to the proprietor, and they will put a key board in, a board where they can punch the winner of that as they see fit.

Mr. RICE. Yes; a fixed board?

Mr. KREITZ. That is right. And if that board comes into town, our county detectives or our city police would immediately chase these people out of town, chase them away.

Mr. RICE. They find out about those things?

Mr. KREITZ. They confiscate them and take them away. They were not after the merchandise board, but they would keep a good, close check on the money board.

Mr. RICE. I see. Now, going back to these out-of-town or out-of-State people, did Frank Costello ever come to Reading?

Mr. KREITZ. That I could not say. I could stumble past Frank Costello and wouldn't know him.

Mr. RICE. Yes, sir. Now, going back a few years, didn't Costello appear there in a barber shop a time or two?

Mr. KREITZ. That I couldn't answer.

Mr. RICE. Did you ever hear about that?

Mr. KREITZ. No, I didn't.

Mr. RICE. Are you sure about that?

Mr. KREITZ. I am sure I never heard about it.

Mr. RICE. Have you ever told anybody about that?

Mr. KREITZ. No, sir, I have never told anybody about that.

Mr. RICE. Did anybody ever discuss Costello being in there?

Mr. KREITZ. Nobody ever talked Costello to me.

Mr. RICE. Did you ever talk to any member of our staff about Costello being in Reading?

Mr. KREITZ. I did not.

Mr. RICE. Are you sure about that?

Mr. KREITZ. I am absolutely sure I never mentioned Costello.

Mr. RICE. Is there a barber shop, or was there a barber shop, in the Old Colonial Hotel?

Mr. KREITZ. That I couldn't answer. In the old days of the Colonial Hotel, I only ever was in there once in my life. I was only ever in there one time in my life. In fact, that end of town, I don't get to. That is the central part of town. I am from the outskirts of town. And I wouldn't get there.

Mr. RICE. Did you ever hear of Max Hassel?

Mr. KREITZ. Oh, yes. I worked with Max Hassel in Pomeroy's in the department store, when I was 14 years old. Me and him were cash boys.

Mr. RICE. And you and he were cash boys where?

Mr. KREITZ. In Pomeroy's Department Store, when we were 14 years of age.

Mr. RICE. Was Hassel in the rackets?

Mr. KREITZ. I couldn't prove that. It was hearsay that he was. Everybody feels generally that he was. But so far as me going and proving it—

Mr. RICE. Yes, I understand that you could not prove it. But I understand that he was in the rackets for a time, I believe.

Mr. KREITZ. Yes.

Mr. RICE. And don't you remember a time when Costello met Hassel there at the barber shop in the Colonial?

Mr. KREITZ. No, I could not say that. I was one time in my life in the Colonial, and then I wasn't in the barber shop.

Mr. RICE. And Hassel did not tell you about meeting Costello?

Mr. KREITZ. Hassel? I never spoke to Hassel after leaving Pomeroy's. I never spoke to Hassel at all after he left Pomeroy's.

Mr. RICE. Do you want to tell this committee that you never discussed with anyone Costello's being in Reading?

Mr. KREITZ. That is right.

Mr. RICE. You never talked to anyone about that?

Mr. KREITZ. No, sir. Anyone who would say that must misinterpret something, because I never spoke that to no one in my life, because it never happened, so far as I know.

Mr. RICE. Would you be afraid to talk about that if that did happen?

Mr. KREITZ. No, no, I would not be afraid of nothing. I wouldn't be afraid to sit here and tell you on anything.

Mr. RICE. All right, sir. Now, you say you continued in the slot machine business up until May of 1951?

Mr. KREITZ. Yes, sir.

Mr. RICE. Are you the only man in Reading that is in this business?

Mr. KREITZ. No, no.

Mr. RICE. Who are some of your competitors or other people that are running slots there?

Mr. KREITZ. I would rather not answer that. I would rather not answer that question. I can refuse to answer that question.

The CHAIRMAN. Is it a fact, without going into the names, that there are others who operated openly like you?

Mr. KREITZ. Oh, there are lots, Senator. Not only me; there are lots of them.

The CHAIRMAN. In addition to the number of individuals, did they have numbers of machines somewhat similar to your holdings?

Mr. KREITZ. They had the same, practically the same. A slot machine is a slot machine. You know that.

The CHAIRMAN. But I meant the number of them. You had about 100, you say?

Mr. KREITZ. I wouldn't know that.

The CHAIRMAN. I was wondering if you had any information as to the number of other machines in operation.

Mr. KREITZ. You see, the majority of the clubs own their own slot machines.

The CHAIRMAN. I see.

Mr. KREITZ. Get that straight.

The CHAIRMAN. Yes.

Mr. KREITZ. They are not divided up amongst any of the boys in the business. You see what I mean? They own their own slot machines, the majority.

The CHAIRMAN. All right. Now, let me ask one other question along a slightly different line from what Mr. Rice is asking you, and he will resume in a minute. You, of course, being in this game, undoubtedly knew of the operation of other gambling in Reading, did you not? I mean, you could not help but know these things?

Mr. KREITZ. Oh, yes.

The CHAIRMAN. It has been testified that the bookmaking establishments were being run pretty openly. Was that your understanding?

Mr. KREITZ. Well, that is what I am trying to explain now, Senator. In our town, they don't consider that anything. Do you understand?

The CHAIRMAN. Yes. I want you to tell us. You say in your town, they do not consider it anything to have the places open and running openly; is that right?

Mr. KREITZ. That is right. Now, if you lived in Reading and you went down and you lost, say, \$500 in a horse book room—

The CHAIRMAN. And just so we may get the picture, how many horse rooms were there in that county?

Mr. KREITZ. I don't know. Say there were two, or say there were three. I wouldn't know. I wouldn't want to be held to that.

The CHAIRMAN. How many would you say there were, to the best of your knowledge?

Mr. KREITZ. There are supposed to be two big ones.

The CHAIRMAN. Two big ones. All right.

Mr. KREITZ. Now, supposing you went there and lost \$500, and they found out that you could not afford to lose \$500. Your family would get that \$500 back.

The CHAIRMAN. From whom?

Mr. KREITZ. From whoever operated that horse book.

The CHAIRMAN. Who was operating it?

Mr. KREITZ. That I wouldn't want to answer. Myself, I know that different times people put \$60 or \$70 in the slot machines, and I gave it back. Rather than have trouble, I gave it back. Now, that is the way we operated there over a period. Nobody thought there was anything wrong with it.

The CHAIRMAN. All right. Now, just coming back to the horse rooms for a minute, they were, you say, open, and allowed to run. Have the loudspeakers and the blackboards been in operation?

Mr. KREITZ. I couldn't tell you that, Senator. I was never in a horse book in my life. Let's get straight on that.

The CHAIRMAN. But from your knowledge, you knew what was going on in Reading?

Mr. KREITZ. I knew they took bets.

The CHAIRMAN. You have told us?

Mr. KREITZ. That is right.

The CHAIRMAN. As to how they returned the bets, and all?

Mr. KREITZ. That is right.

The CHAIRMAN. So how long do you think that has been in operation?

Mr. KREITZ. I would say it has gone on over a period. They had their shut-downs the same as we had over a period of 25 or 30 years, as far back as you can remember.

The CHAIRMAN. In the same general way?

Mr. KREITZ. That is right. I would not say it was run by the same people.

The CHAIRMAN. I did not ask that. I was inquiring principally as to the method of operation and as to the fact that it was notorious, it was open, and known by everybody, generally accepted.

Mr. KREITZ. It was openly known, but nobody figures that it is notorious, you understand?

The CHAIRMAN. Yes.

Mr. KREITZ. You do, but your people don't.

The CHAIRMAN. And it was generally recognized that that would be all right?

Mr. KREITZ. That is right.

The CHAIRMAN. All right.

Mr. RICE. These big ones that you are talking about, the big horse books, the two of them, are those operated by local people or out-of-town men?

Mr. KREITZ. I would not know that ever any out-of-town people came into our town. They could say that perhaps so-and-so was here, but I wouldn't know anyone that would prove that anyone was here in town. And I stated that before.

Mr. RICE. Did you know Oney Madden?

Mr. KREITZ. No, sir; I didn't know Oney Madden.

Mr. RICE. A friend of Max Hassel's?

Mr. KREITZ. No.

Mr. RICE. Did you ever hear Max Hassel talk about him?

Mr. KREITZ. Max Hassel, I told you that I worked with Max Hassel at Pomeroy's. And after Max Hassel left Pomeroy's, he drifted out of my life.

Mr. RICE. How about Waxy Gordon?

Mr. KREITZ. I wouldn't know Waxy Gordon. I wouldn't know none of these people if I fell over them.

Mr. RICE. How about Nig Rosen?

Mr. KREITZ. I wouldn't know him.

Mr. RICE. How about Willie Weisberg? Did you ever see him around town?

Mr. KREITZ. If I did, I wouldn't know. It could be a possibility that he is in the room now. I wouldn't know him.

Mr. RICE. All right, sir. Now, who operates the place at 601 Franklin Street, where they have the ticker? Have you ever been there?

Mr. KREITZ. No, sir.

Mr. RICE. Have you ever been in there?

Mr. KREITZ. I said, no, sir, I was never in a horse book.

Mr. RICE. You were never in a horse book, either one of them?

Mr. KREITZ. That is right.

Mr. RICE. Did you know from general conversation who runs them?

Mr. KREITZ. Yes; I know that, but I don't think I should answer that.

Mr. RICE. Do you know of a Ben Moyer?

Mr. KREITZ. No, sir.

Mr. RICE. Do you know such a person as Ben Moyer?

Mr. KREITZ. I wouldn't know him. I am answering that truthfully.

Mr. RICE. Now, you have been in the rackets around there for how many years?

Mr. KREITZ. I say I have been around 23 or 25 years.

Mr. RICE. And all that time you have been running slots and punchboards?

Mr. KREITZ. Like I told you.

Mr. RICE. Did you ever run a horse book?

Mr. KREITZ. No, sir.

Mr. RICE. How about the numbers game?

Mr. KREITZ. I never bothered with numbers?

Mr. RICE. Is there a numbers game going there?

Mr. KREITZ. Certainly there are numbers games going.

Mr. RICE. Now, how many times have you been arrested up there?

Mr. KREITZ. I have been arrested twice.

Mr. RICE. For what?

Mr. KREITZ. I was arrested for operating slot machines.

Mr. RICE. You were arrested once for operating slot machines. How long ago was that?

Mr. KREITZ. Darn, I can't tell you the date. It is going back, I would say, maybe 15 years ago.

Mr. RICE. About 15 years ago. And what was the other arrest for?

Mr. KREITZ. I was arrested the other time by the Federal Government for income tax.

Mr. RICE. That was income tax?

Mr. KREITZ. That is right.

Mr. RICE. That was in 1948; was it not?

Mr. KREITZ. I would say it was in 1948. I could not remember the exact date.

Mr. RICE. Now, since that tax violation, you went to jail on that; did you not?

Mr. KREITZ. Yes, sir.

Mr. RICE. Since that, you have been back into the slot machines again?

Mr. KREITZ. Yes, sir.

Mr. RICE. Now, who arrested you on this violation about 15 years ago on slot machines? Not the name of the individual. But was it the police department?

Mr. KREITZ. The State police.

Mr. RICE. The State police. And as a result of that arrest, were you fined?

Mr. KREITZ. I was sentenced from 6 months to 5 years in jail, and I was fined \$5,000 and costs.

Mr. RICE. Now, how did it happen that the State police took jurisdiction there?

Mr. KREITZ. Darn if I know. I know they come in and took me.

Mr. RICE. Where was your place at that time? Was it in the town of Reading?

Mr. KREITZ. I was at 1264 North Franklin.

Mr. RICE. Right in Reading?

Mr. KREITZ. Yes, sir. I am right in Reading now. But you see, we are in the north Reading end. We are out in the north end.

Mr. RICE. Yes. But at that time the State police came in?

Mr. KREITZ. That is right.

Mr. RICE. Have the local police, the Reading police, ever bothered you?

Mr. KREITZ. I would say "No." When too many complaints came in the Reading police chased us out and put us out of business.

The CHAIRMAN. If they had been allowing you to operate over this full period of time, what would happen that would cause them to get busy all of a sudden and then you could close up and after a little time go back into it?

Mr. KREITZ. This last time it didn't seem to make sense to me. This last time we were paying a \$150 tax on the slot machines and we were paying \$150 tax on the consoles. The consoles are sitting all over Pennsylvania. To me they are 100 percent legal. But when your investigators come in they put it in the paper and chased us out.

The CHAIRMAN. What happened before that that caused them to chase you out?

Mr. KREITZ. Well, sometimes if there were too many unnecessary complaints, if they figures there were complaints, then they would chase us out. But if we operated and operated—

The CHAIRMAN. And when you were chased out, how long would you stay out?

Mr. KREITZ. One time we stayed out 9 months.

The CHAIRMAN. Until things cooled down?

Mr. KREITZ. That is right.

The CHAIRMAN. And then you came back again and went right back to the old stands?

Mr. KREITZ. That is right; some. Some made up their mind to get their own, in the meanwhile. And then you got some new business, too. You know, you lose business and you get business.

Mr. MOSER. When you were closed up like that, what did you do with the machines? Did you just leave them in the place, or take them out?

Mr. KREITZ. Oh, no, you take them out, because if you leave them in a place when they close up, they get a search warrant and knock them all off.

Mr. MOSER. All right. You took them with you. What did you do with them?

Mr. KREITZ. I had them stored at one time at Tenth and Ferry, and the State police came in and took quite a few of them. And then one

time the State police came in on a big raid and took 125 machines that I had, me and my partner, and they put us right out of business that year. At that time, it was fortunate. We got a summary conviction. I lost the equipment, but we didn't go to jail.

Mr. MOSER. Now, when they take your machines out and they close you up, do you see anybody about it?

Mr. KREITZ. No.

Mr. MOSER. What do you do?

Mr. KREITZ. Nothing.

Mr. MOSER. You don't know anything about it?

Mr. KREITZ. No.

Mr. MOSER. You don't try to get people to let you open up again?

Mr. KREITZ. No. If we are closed up, you have to wait maybe 8, 9, or 10 months, and then you try it, and if there don't nobody bother you, then you keep on going.

Mr. MOSER. You do not go around to see anybody and try to persuade him to let you open up again?

Mr. KREITZ. Oh, no.

Mr. MOSER. You are sure about that, now?

Mr. KREITZ. That is right. You see, I am trying to explain to the Senator and you people that in our city and in our county, it is liberal. If you was to come to our county and our city and run on the platform that you are going to close that up, you wouldn't get elected nohow. That is the truth.

The CHAIRMAN. Has it always been that way?

Mr. KREITZ. That is right, because you take our county, we boast the best fire company equipment in the world. And that fire equipment was bought with slot-machine money.

Mr. MOSER. Do politicians run on the ticket of keeping the place open, on a liberal ticket?

Mr. KREITZ. I would say "yes." I would say we know that they are liberal. I would say "yes."

Mr. MOSER. You would say the people in Reading want it that way?

Mr. KREITZ. That is right.

The CHAIRMAN. Is that true of all Berks County?

Mr. KREITZ. That is right. In all Berks County it is true. We have a good democratic county.

The CHAIRMAN. And how long has that continued?

Mr. KREITZ. Ever since I knew anything, 25 or 30 years that I do it, and it continued previous to me, Senator. That has been going on ever since I knew anything.

Mr. MOSER. Your idea of a square shake is that the police officials let you operate these illegal devices because the people want them to; is that right?

Mr. KREITZ. That is right. The people get the benefit of these illegal devices. Practically everything that these operators make goes back to these people.

The CHAIRMAN. Let me ask you a question right there, Mr. Kreitz. Are the machines that you have such that they can be regulated as to the pay-offs, percentagewise?

Mr. KREITZ. No. I do not believe that can be done, Senator. Now, Mr. Wiley brought up that question—

The CHAIRMAN. Just let me ask you this. And we will give you a chance to answer it in full.

Mr. KREITZ. That is right.

The CHAIRMAN. Haven't you heard of the slot machines that can be regulated?

Mr. KREITZ. Let me get you right, sir.

The CHAIRMAN. Go ahead.

Mr. KREITZ. A slot machine, you can inquire, in the factory is made to give you a good legitimate profit. You don't need to.

The CHAIRMAN. Give the owner of it a good legitimate profit?

Mr. KREITZ. That is right.

The CHAIRMAN. What percentage?

Mr. KREITZ. I would say 5 percent. Now, get me right, what I mean by 5 percent. If you take a dollar and take it in, the average time you pay 95 cents. You play that 95 cents, and you would lose 5 cents again. You keep losing it over a period. Now, some fellows will tell you they are set for 60 or set for 40 percent. But you talk to the factory man and he will tell you different.

Now, what they can do, and any time that is done whether it is in your State or our State, they should take an ax and hit that man in the head.

The CHAIRMAN. What can they do?

Mr. KREITZ. When they put a gimmick on that machine that them bars cannot stop.

The CHAIRMAN. Have you heard of a jumper?

Mr. KREITZ. That is what I mean, a jumper.

The CHAIRMAN. Tell us about the jumpers.

Mr. KREITZ. They put them on to stop the bars from coming on. Now, if anybody puts that——

The CHAIRMAN. You have heard of them doing that?

Mr. KREITZ. Oh, I have certainly heard of them doing it. But I don't think that that was ever done in Berks County.

Senator WILEY. That would not be liberal, would it?

Mr. KREITZ. That would be really stealing, if you ask me.

Senator WILEY. You would not consider that conservative, either, would you?

Mr. KREITZ. I would not consider that conservative for this reason, Senator, because if you play a slot machine and you hit the jackpot, you are the best advertisement that you can get, because you have hit it. You understand what I mean?

Senator WILEY. On this question of liberalism, I think you have given us a new definition. Yet it ranges back in recent history that the interpretation of "liberal" is the guy that can liberally take the other fellow's money or spend it.

Mr. KREITZ. Senator, may I give you credit for it now? There are some churches in our county that are kicking about this condition. But I want to tell you, and I will go on record on this, I would safely say that the majority of them churches came to us people for donations, and we helped them, and helped them plenty.

Mr. MOSER. In other words, the people who are running these rackets in the town made contributions to charity?

Mr. KREITZ. That is right. That is like I have been telling you. Practically all the money that has been made in this town has been going back to the people.

The CHAIRMAN. Senator Kefauver?

Senator KEFAUVER. I do not believe I have any questions.

Mr. MOSER. I want to ask you about these clubs. You say that private clubs have them, and that is all right; they are legal?

Mr. KREITZ. That is right.

Mr. MOSER. But they get closed up, too, do they not?

Mr. KREITZ. Oh, yes, when a bird goes out to close up, regardless of who owns them, there is no favoritism there.

Mr. MOSER. So it is not legal in a club; it is just that they get away with them?

Mr. KREITZ. No, it is not legal. It is not legal any place.

Mr. MOSER. What kind of club is it? Is it really private, or can anybody join them?

Mr. KREITZ. Oh, you can join, if some member sponsors you.

Mr. MOSER. But you do not have to be anybody in particular?

Mr. KREITZ. Oh, no. If you want to join, say, the Fifteenth Ward Republican Club, or something like that, you would have to have someone who is a member who thinks you are a good Republican, and you can join.

Mr. MOSER. But it does not take much to join?

Mr. KREITZ. No. A \$2 bill, because almost all are \$2 clubs around Berks County.

Mr. MOSER. That \$2 bill is dues for the year, is it?

Mr. KREITZ. Yes.

Mr. MOSER. So for \$2 and just a slight introduction, you can get into one of those places?

Mr. KREITZ. Yes.

Mr. MOSER. That is not very different from being open, is it?

Mr. KREITZ. Yes, it is, because they stay pretty well to their members. If you ain't a member and you get to Berks County and try to get in an average place, you are going to find that you have a mighty tough time.

Mr. MOSER. You can walk in any night?

Mr. KREITZ. Oh, no, you cannot walk in any night, not if you ain't a member.

Mr. MOSER. If you pay your \$2?

Mr. KREITZ. If you pay your \$2 to any organization, you can walk in.

Mr. MOSER. Two dollars is practically open, is it not?

Mr. KREITZ. No, I didn't say that.

Mr. MOSER. For a whole year?

Mr. KREITZ. That is right. We ain't got the YMCA clubs like that, to which you pay \$30 or \$50. We have working people's clubs.

Mr. MOSER. But the \$2 is just a license to go play the machine, is it not?

Mr. KREITZ. No, I wouldn't say that. There are no slots in clubs now, and they are not playing the machines today.

Mr. MOSER. What are they doing? Punchboards?

Mr. KREITZ. No, there is nothing in there. There is nothing in the county at all right now.

The CHAIRMAN. Waiting for the dust to settle?

Mr. KREITZ. I would say, yes, Senator, if you asked me that question.

Mr. RICE. Now, along that line, membership for most of these clubs is around \$2?

Mr. KREITZ. Yes.

THE CHAIRMAN. Is it not also true that the members can bring in an unlimited number of guests?

MR. KREITZ. Yes, some. You see, I could take you along, but you couldn't spend. Do you get me?

MR. RICE. Yes.

MR. KREITZ. And when I leave, you must leave with me.

MR. RICE. But if I come in as a guest, I cannot play a machine?

MR. KREITZ. I would say no.

MR. RICE. Oh, now, wait a minute.

MR. KREITZ. I would say no.

MR. RICE. You know better than that.

MR. KREITZ. No, I don't know better than that. I would say no; the average place, I would say no.

MR. MOSER. You mean if I walk up to a machine with a quarter to put in it, they won't let me put it in?

MR. KREITZ. The average bartender would stop you. I would say yes.

MR. RICE. How does the bartender have time to police everybody that walks over to that machine?

MR. KREITZ. Now, these clubs ain't big. The average bar is—what is the average bar? Twenty to thirty feet? And I would say that 99 out of 100 have signs up, "These machines to be played by members only," calling it to your attention. Now, if you would go over there and place a quarter in one of these machines, you would be the one cheating, because there is a sign right in front of your eyes, not to play it.

MR. MOSER. Just because there is a sign up does not mean that they do not do it?

MR. KREITZ. Well, I didn't say that they don't do it. I said that they shouldn't do it.

MR. MOSER. Oh, sure.

MR. KREITZ. You understand what I mean? They shouldn't do it. And if you go over and see that machine, you shouldn't do it. You should walk away, because then if you do it, to my idea, you are the guilty one.

MR. MOSER. Yes; you put a sign up to say that you cannot play the slot machine. They have more than a sign on the machines themselves. They have a law that says you should not have them. But you do that. That is not cheating, is it? It is not cheating because the Democrats let you do it?

MR. KREITZ. They put a \$150 tax on it, because the Federal Government lets us do that, too.

MR. MOSER. That tax is not a license, is it?

MR. KREITZ. I don't know what that tax is. It is something, or they wouldn't be collecting it.

MR. MOSER. They are collecting it as a penalty?

MR. KREITZ. A penalty?

MR. MOSER. Yes.

MR. KREITZ. If you forget to pay for 30 days, they are mighty quick to collect that penalty. Then they will put a penalty on you.

MR. MOSER. If that tax were increased to \$2,000, maybe you could not afford to run the machines, could you?

MR. KREITZ. You might be able to run one or two, in certain places.

MR. MOSER. Maybe you had better have the tax \$5,000, then.

Mr. KREITZ. Then maybe you could not run one.

Mr. MOSER. Maybe that is a good idea.

Mr. KREITZ. You people make the laws, not me.

Mr. RICE. All right, sir. Let me take you back to something you were talking about a while ago. During these phases of the operation, there would be temporary shut-downs; the word would go out that you are closing down. How would that word get to you?

Mr. KREITZ. Usually if there are too many complaints, the district attorney or the mayor will put a piece in the paper and give you 24 hours to clear out, or else.

Mr. RICE. You get it out of the newspapers?

Mr. KREITZ. That is right. Or if they come in and they take you for three or four places, then you have, again, sense enough to get out.

Mr. RICE. Now, you say they will come in and take you for three or four places. What do you mean by that?

Mr. KREITZ. If the police come in and raid three places, then you would have sense enough to quit.

Mr. RICE. Now, you say, then, you have had raids on two or three places?

Mr. KREITZ. Yes.

Mr. MOSER. You know that the pressure is on, then?

Mr. KREITZ. Yes.

Mr. MOSER. Have you ever been arrested in connection with any of those?

Mr. KREITZ. Have I ever been arrested?

Mr. RICE. Yes.

Mr. KREITZ. I told you that I was arrested. I told you I served—

Mr. RICE. That was 15 years ago. And that was for one place. What happens when they raid these two or three places when the heat is on?

Mr. KREITZ. If they raid these places, the location owns them themselves.

Mr. RICE. The location owns them?

Mr. KREITZ. That is right.

Mr. RICE. And you have a 50-50 arrangement with the location?

Mr. KREITZ. That is right.

Mr. RICE. But the place takes the rap; is that the idea?

Mr. KREITZ. That is right.

Mr. RICE. And they pay a fine and lose the machine?

Mr. KREITZ. That is right.

Mr. RICE. Sometimes?

Mr. KREITZ. At all times.

Mr. RICE. At all times?

Mr. KREITZ. At all times the machines are lost.

Mr. RICE. Now, do you have any personal contact with the police department?

Mr. KREITZ. No, sir.

Mr. RICE. Do you know any officers on the police department?

Mr. KREITZ. I know plenty of officers on the police department.

Mr. RICE. Do you know the chief of police?

Mr. KREITZ. No; I don't.

Mr. RICE. You do not know the chief?

Mr. KREITZ. No.

Mr. RICE. You never talked to him?

Mr. KREITZ. I never spoke with him in my life.

Mr. RICE. What is his name?

Mr. KREITZ. I would say the chief of police is Birney.

Mr. RICE. Birney. And he has never talked with you?

Mr. KREITZ. No, sir.

Mr. RICE. Now, how about Lieutenant Hoffman? Did you ever talk with him?

Mr. KREITZ. Oh, yes.

Mr. RICE. What does he do?

Mr. KREITZ. He is lieutenant.

Mr. RICE. He is lieutenant. He is in charge of the vice squad, is he not?

Mr. KREITZ. I would not know what he is in charge of. I know he is lieutenant.

Mr. RICE. And he has to do with slot machines and punchboards, does he not?

Mr. KREITZ. I wouldn't know if any particular man had to do with slot machines or punchboards.

Mr. RICE. He wears a badge, though?

Mr. KREITZ. Oh, yes, sir.

Mr. RICE. What do you talk about when you get with him?

Mr. KREITZ. With Lieutenant Hoffman?

Mr. RICE. Yes.

Mr. KREITZ. I haven't seen Lieutenant Hoffman to talk to, to say hello to, for 7 or 8 years.

Mr. RICE. You live at 920 Douglas?

Mr. KREITZ. That is right, sir.

Mr. RICE. And has he ever been in your house?

Mr. KREITZ. No, sir.

Mr. RICE. Hoffman has never been in your house?

Mr. KREITZ. No, sir.

Mr. RICE. How about Birney? Has he ever been in your house?

Mr. KREITZ. No, sir.

Mr. RICE. How about the district attorney? Has he been there?

Mr. KREITZ. Oh, yes; he has seen me.

Mr. RICE. What is his name?

Mr. KREITZ. John Ruth.

Mr. RICE. John Ruth?

Mr. KREITZ. John Ruth, yes.

Mr. RICE. And what did the district attorney do in your house? What did he do?

Mr. KREITZ. He came to pay me a visit while I was sick.

Mr. RICE. He is a social friend of yours?

Mr. KREITZ. That is right.

Mr. RICE. Did you ever have any meetings with him or any other men there?

Mr. KREITZ. No. There are a lot of people come there. Maybe sometimes there are 100 of us there, different fellows, all walks of life.

Mr. RICE. You may have as many as 100 people in your house?

Mr. KREITZ. That is right.

Mr. RICE. And you entertain them?

Mr. KREITZ. I would call it entertainment. We sit there and play pinochle, or watch a television set, or something like that.

Mr. RICE. Who pays for the drinks and refreshments?

Mr. KREITZ. The drinks? Well, there are very little refreshments. It is around five cases of beer a week that we drink there. I pay for that.

Mr. RICE. It runs about five cases of beer a week for your parties?

Mr. KREITZ. There are no parties. I wouldn't call them parties.

Mr. RICE. Pinochle parties?

Mr. KREITZ. I wouldn't call them parties. They just come around. If they want to look at television, they look at television, and if any of the boys want to play pinochle, we sit down and play pinochle. The rest watch a fight or a baseball game, or something.

Mr. RICE. How about Mr. Stoner? Do you know him?

Mr. KREITZ. He is a councilman. And Clint Bach.

Mr. RICE. Clint Bach?

Mr. KREITZ. Clint Bach.

Mr. RICE. He comes there sometimes?

Mr. KREITZ. Yes; that is right.

Mr. RICE. How about judges? Do they come there?

Mr. KREITZ. No, sir.

Mr. RICE. And how about Mr. Austin?

Mr. KREITZ. No, sir.

Mr. RICE. How about Coleman?

Mr. KREITZ. No, sir.

Mr. RICE. Does Alex Fudeman come there?

Mr. KREITZ. No, sir.

Mr. RICE. What business is Fudeman in?

Mr. KREITZ. I wouldn't know that he is in any business.

Mr. RICE. Do you know him?

Mr. KREITZ. I would know him if I seen him, yes.

Mr. RICE. And you do not know whether he is in any business?

Mr. KREITZ. I wouldn't know that.

Mr. RICE. Did you get some testimony here this morning that he was in the horse joint at 601 Franklin?

Mr. KREITZ. That could be true.

Mr. RICE. You never had any transactions with Fudeman?

Mr. KREITZ. No.

Mr. RICE. Now, did any State policemen ever come to your house there for the beer and refreshments?

Mr. KREITZ. No. State policemen come there, but not for beer and refreshments. They come to visit me.

Mr. RICE. What do they come there for?

Mr. KREITZ. One was a very good friend of my family.

Mr. RICE. What is his name?

Mr. KREITZ. Must I answer that?

Mr. RICE. If he is a good friend, you are proud of it, are you not?

Mr. KREITZ. That is right. But must I answer it all over the United States?

Mr. RICE. Yes; I think so. I would be interested in knowing about that. The question is the name of the State policeman who comes to your house.

Mr. KREITZ. I know what you mean. But I don't like to expose the man.

Mr. RICE. Is it Sickle?

Mr. KREITZ. I would say "Yes."

Mr. RICE. You would say "Yes"?

Mr. KREITZ. Yes.

Mr. RICE. Now, Sickle is a good friend of yours, is he not?

Mr. KREITZ. Very good.

Mr. RICE. As a matter of fact, you were in an airplane crash with him at one time?

Mr. KREITZ. A crash?

Mr. RICE. Yes.

Mr. KREITZ. No, sir.

Mr. RICE. What was the story on that?

Mr. KREITZ. One time my mother was pretty sick, and he volunteered to fly me down to Florida. We were to get a piece of ground for my mother to build a little bungalow on. So he flew me down, which is no secret any place around town. Everybody knew it.

Mr. RICE. Yes.

Mr. KREITZ. So he flew me down.

Mr. RICE. Is this a private plane?

Mr. KREITZ. No. It was a cub, or cub plane, just two passengers.

Mr. RICE. Whose plane was it?

Mr. KREITZ. That I couldn't tell you.

Mr. RICE. Where did you get it?

Mr. KREITZ. Up at the airport.

Mr. RICE. Did you rent it?

Mr. KREITZ. I wouldn't know it.

Mr. RICE. Who paid for it?

Mr. KREITZ. He flew the plane. Nobody paid for it. The only thing we done was put gasoline in it.

Mr. RICE. Who paid for that?

Mr. KREITZ. The gasoline? I paid for it. It was a trip for my mother.

Mr. RICE. I see.

Mr. KREITZ. I wouldn't ask him to pay that.

Mr. RICE. And you and Sickle flew?

Mr. KREITZ. That is right.

Mr. RICE. And where was your mother then?

Mr. KREITZ. My mother was at home sick.

Mr. RICE. And where did you go?

Mr. KREITZ. To Florida, to the outskirts of Fort Lauderdale. We flew to Fort Lauderdale, and down there the police had a plot of ground that they were selling lots off at \$200 all over to anyone who wanted them.

Mr. RICE. What police had these lots?

Mr. KREITZ. All the police from the United States had a plot of ground there, and they were selling these lots off. They were selling to put homes on for them people to live on. And if you had someone that was friendly enough to you, he could get you a plot of ground.

Mr. RICE. Yes.

Mr. KREITZ. For \$200. So he asked me if I would want that piece of ground for my mother. I said I would like to look at it. And when I looked at it, it was back in the building. There was no lights; there was no nothing.

Mr. RICE. Then let us get down there first. You two jumped in a plane and went back in the cub?

Mr. KREITZ. That is right.

Mr. RICE. Did you have any accident on the way?

Mr. KREITZ. No, sir.

Mr. RICE. You went all the way down?

Mr. KREITZ. No, sir. We came down for gas. We had no trouble.

Mr. RICE. How long did it take you?

Mr. KREITZ. We flew down in 1 day. I will tell you when this happened. It was when the planes were all grounded on account of a bad storm; they couldn't let none go up, no trans-Atlantic planes, or anything. So we stayed overnight near Daytona Beach. We were 100 miles away from our destination. When we went down to this place and then we went around, and it didn't suit us, we come home. So we might have been off at the most 3 days.

Mr. RICE. Did you buy the property?

Mr. KREITZ. No, sir. It didn't suit us.

Mr. RICE. Was he going to buy the property for you if it was suitable to you?

Mr. KREITZ. No, sir. He was going to recommend to me to buy it. He was in no position to buy it.

Mr. RICE. But he found out through police circles; is that the idea?

Mr. KREITZ. That is right. All the police knew that.

Mr. RICE. How about Lieutenant Hoffman? You say he hasn't been in your house?

Mr. KREITZ. No, sir.

Mr. RICE. He has never been in your house?

Mr. KREITZ. No.

Mr. RICE. What contact do you have with him?

Mr. KREITZ. I don't have no contact with him.

Mr. RICE. I thought you said you saw him once in a while.

Mr. KREITZ. I did see him.

Mr. RICE. Where would you see him?

Mr. KREITZ. I might have seen him years ago at the Athletic Club, or different places like that. I seen him two or three times at the race track.

Mr. RICE. Did you ever lend him any money?

Mr. KREITZ. No; I would say no. I would tell you I gave him money one time. When the man was ready to die and needed a doctor, I gave him \$800 to try to save his life. That was an outright gift. I got nothing of it back, and I don't expect none of it back.

Mr. RICE. How long ago was that?

Mr. KREITZ. I would say that was 8 or 9 years ago.

Mr. RICE. Have you ever given him anything since then?

Mr. KREITZ. I would say "No." I haven't seen the man since.

Mr. RICE. What other officers have you given money to?

Mr. KREITZ. I haven't given money to any officers.

Mr. RICE. Are you sure about that?

Mr. KREITZ. That is exactly true.

Mr. RICE. Either the State police or the city police?

Mr. KREITZ. No, sir.

Mr. RICE. Is Hoffman the only one?

Mr. KREITZ. I gave it to him as a gift, and not as a bribe.

Mr. RICE. Well, as a gift. Did you give a gift to any other officers?

Mr. KREITZ. I gave it to him because the man was ready to die and needed attention.

Mr. RICE. As a gift, have you given a gift to any other officers?

Mr. KREITZ. No; none needed it. If they needed it, if you would need it and I knew it, and I had it, I would give it to you.

Mr. RICE. How about whisky? Did you give any whisky to any of these officers?

Mr. KREITZ. No, sir.

Mr. RICE. Are you sure about that?

Mr. KREITZ. That is exactly true.

Mr. RICE. Is there a pagoda in Reading?

Mr. KREITZ. Yes, sir.

Mr. RICE. What is a pagoda?

Mr. KREITZ. It is a place of interest that is built, I imagine, by the city.

Mr. RICE. A Chinese place?

Mr. KREITZ. It looks like it.

Mr. RICE. It is sort of a symbol of Reading, is it not?

Mr. KREITZ. Yes, sir.

Mr. RICE. And have you ever seen this pagoda on a stamp on one of these punchboards?

Mr. KREITZ. I would say "No."

Mr. RICE. Did you ever hear about that?

Mr. KREITZ. I didn't hear about the pagoda on a stamp. I have heard of a punchboard stamp. You know what I mean?

Mr. RICE. Yes; I understand. Now, have you ever heard of the pagoda as a symbol of the Minker outfit?

Mr. KREITZ. No; I haven't.

Mr. RICE. Are you sure about that?

Mr. KREITZ. That is exactly true.

Mr. RICE. What business have the Minkers?

Mr. KREITZ. That isn't my question to answer.

Mr. RICE. I beg your pardon?

Mr. KREITZ. That is not my question to answer.

Mr. RICE. You do not know?

Mr. KREITZ. I would say I know, but I refuse to answer.

Mr. RICE. All right. How about Jake Levan and Ray Dockerty and Mendelson? Do you know of them having a bank? They work for the Minkers, do they not, in connection with a policy bank or a numbers bank?

Mr. KREITZ. I wouldn't say. They work for them.

Mr. RICE. They work for them?

Mr. KREITZ. Yes.

Mr. RICE. Do you know what the arrangement is, the percentage there?

Mr. KREITZ. No; I wouldn't.

Mr. RICE. Have you ever heard that Mendelson has 25 percent, Levan 10, and Dockerty 10 percent?

Mr. KREITZ. I have heard that story; yes.

Mr. RICE. What is the story on that? Who has the other 45 percent?

Mr. KREITZ. I refuse to answer that.

Mr. RICE. Do you know?

Mr. KREITZ. Yes, I know.

Mr. RICE. Is it the Minkers?

Mr. KREITZ. I refuse to answer that.

Mr. RICE. But you know?

Mr. KREITZ. That is right.

The CHAIRMAN. At this time we will call Miss Brenner.

Mr. RICE. You may be excused.

Mr. KREITZ. May I go home?

Mr. RICE. Yes, sir, unless you have something you would like to say.

Mr. KREITZ. I say, "No." Can I go home and go back to Reading?

Mr. RICE. No. We would appreciate it if you were to stand by a little while today.

The CHAIRMAN. Will you raise your right hand. In the presence of Almighty God, do you swear that the testimony you give will be the truth, the whole truth, and nothing but the truth?

Miss BRENNER. I do.

The CHAIRMAN. Will you be seated.

Are you represented by counsel?

Miss BRENNER. Yes.

Mr. RICE. Jacob Kossman.

TESTIMONY OF MISS ANNA BRENNER, READING, PA., ACCOMPANIED BY JACOB KOSSMAN, ATTORNEY, PHILADELPHIA, PA.

The CHAIRMAN. Your full name, please?

Miss BRENNER. Anna Brenner.

The CHAIRMAN. Miss or Mrs.?

Miss BRENNER. Miss.

The CHAIRMAN. Miss Brenner, will you be kind enough to keep your voice up while you are on the stand and talk into the microphone so that all may hear.

Miss BRENNER. Yes.

The CHAIRMAN. Your address, please?

Miss BRENNER. 184 West Green.

The CHAIRMAN. 184 West Green. Now, I want you to keep talking a little louder.

Counsel, would you be kind enough to give your name?

Mr. KOSSMAN. Jacob Kossman, 510 Commercial Trust Building, Philadelphia 2.

The CHAIRMAN. And Mr. Kossman, you are a member of the bar and counsel for the witness?

Mr. KOSSMAN. Yes.

The CHAIRMAN. We are glad to have you.

Now, please keep talking loudly, will you.

Miss BRENNER. Yes.

The CHAIRMAN. Mr. Rice?

Mr. RICE. You live at 184 Green?

Miss BRENNER. West Green.

Mr. RICE. And do you live alone, Miss Brenner?

Miss BRENNER. With my sister.

Mr. RICE. With your sister; and what is her name?

Miss BRENNER. Elsie.

Mr. RICE. Elsie; and is she here today?

Miss BRENNER. Yes; she is.

Mr. RICE. I see; and you are appearing in response to a subpoena that was served upon you; is that right?

MISS BRENNER. That is right.

MR. RICE. And you have adduced certain books and records for examination by the committee's staff previously?

MISS BRENNER. That is right.

MR. RICE. We can go on now. Then going back to about 1936, by whom were you employed in 1936?

MISS BRENNER. 1936?

MR. RICE. Were you not with a cigar company?

MISS BRENNER. Yes; 1936? Yes, Mr. Meyer Katz.

MR. RICE. Meyer Katz. You were living with your family at that time?

MISS BRENNER. Yes, my mother and father and two other sisters.

MR. RICE. You worked for Meyer Katz, for a cigar business?

MISS BRENNER. Yes, Reading Tobacco Co.

MR. RICE. Reading Tobacco Co. Now, then, when did you leave the Reading Tobacco Co.?

MISS BRENNER. I didn't leave. I was laid off.

MR. RICE. You were laid off. About what year was that?

MISS BRENNER. About 1938.

MR. RICE. About 1938 or 1939. I think the record we have here indicates 1939. Now, then, what did you do for employment after that?

MISS BRENNER. After that I went to the Vanity Fair Co.

MR. RICE. And after that?

MISS BRENNER. After that or while I was with the Vanity Fair, I went to them one day when I was told that my sister was not going to live. Then I stayed through one month, about one month, because I didn't want her to know—

MR. RICE. Without too much detail—

MISS BRENNER. After that I stayed home with my sister Elsie, to take care of my mother and my sister.

MR. RICE. Yes, Now, then, when was your next employment?

MISS BRENNER. With the Minker Bros.

MR. RICE. With the Minker Bros. When did that start?

MISS BRENNER. About 1940.

MR. RICE. About 1940?

MISS BRENNER. Yes.

MR. RICE. And by the Minker Bros. you are talking about Isadore and Abe Minker?

MISS BRENNER. That is right.

MR. RICE. Now, at that time your father had died by then, had he not?

MISS BRENNER. My father died in 1938.

MR. RICE. 1938?

MISS BRENNER. Yes.

MR. RICE. And had you taken over the house?

MISS BRENNER. Just what do you mean, "taken over the house"?

MR. RICE. Your father owned the house, did he not?

MISS BRENNER. Yes, my father owned the house, and when he died it automatically went to my mother.

MR. RICE. Yes.

MISS BRENNER. And my mother was an epileptic, and my sister had such a hypertension; so we took care of both of them, and they let us—I mean, mother signed the house and my sister Catherine, who

was also sick, signed her interest in the house over to Elsie and to me.

Mr. RICE. Yes. Now, when you had the house signed over to you, who took care of the payments on it?

Miss BRENNER. There were no payments on it. The house was clear.

Mr. RICE. It was free and clear then?

Miss BRENNER. It was clear.

Mr. RICE. And that was in 1940 that it was clear?

Miss BRENNER. Yes.

Mr. RICE. When did they pay the mortgage off? There was a mortgage on it when your father died?

Miss BRENNER. That I do not remember. But the records would show that.

Mr. RICE. Who paid the mortgage off? Did you pay it?

Miss BRENNER. Father.

Mr. RICE. Your father did?

Miss BRENNER. Yes.

Mr. RICE. So by the time you got it, there was no mortgage on it?

Miss BRENNER. It was clear.

Mr. RICE. But there was when he died?

Miss BRENNER. No.

Mr. RICE. According to the records they indicate that it was.

Miss BRENNER. I am sorry.

Mr. RICE. You think that may be wrong?

Miss BRENNER. I am sure there was no mortgage on the house.

Mr. RICE. You are sure about that?

Miss BRENNER. Sure.

Mr. RICE. We may be wrong. Now, you went to work for the Minkers about 1940; is that right?

Miss BRENNER. Yes.

Mr. RICE. And what was their line of business?

Miss BRENNER. Wholesale fruit and produce.

Mr. RICE. Where was that located?

Miss BRENNER. 35 Mount Haven Street.

Mr. RICE. And it is still there?

Miss BRENNER. Yes.

Mr. RICE. What is your position there? What were you hired to do?

Miss BRENNER. I was hired to be the bookkeeper.

Mr. RICE. Hired to be the bookkeeper. And you were on a weekly salary?

Miss BRENNER. That is right.

Mr. RICE. Did you have any interest in the business? Was it a corporation or a partnership?

Miss BRENNER. At that time it was a proprietorship.

Mr. RICE. A proprietorship?

Miss BRENNER. Yes, Isadore Minker owned it.

Mr. RICE. Isadore Minker owned it as an individual. I see. And did it later change to a partnership?

Miss BRENNER. No, it was incorporated later.

Mr. RICE. About when was it incorporated?

Miss BRENNER. I would say about 1942.

Mr. RICE. So that when it became incorporated who were the officer and directors?

(No response.)

Mr. RICE. Was Isadore Minker president?

Miss BRENNER. I think Isadore Minker and Abe Minker were the directors, but I don't remember who the others were.

Mr. RICE. Were you an officer?

Miss BRENNER. I think—

Mr. RICE. Have you ever been an officer?

Miss BRENNER. I am not sure.

Mr. RICE. You are not sure whether you have been an officer or not, of Minker Bros., Inc.; is that the sum of it?

Miss BRENNER. Minker Bros., Inc.?

Mr. RICE. Have you held any stock in the company?

Miss BRENNER. No.

Mr. RICE. You have not owned any stock?

Miss BRENNER. No.

Mr. RICE. The chances are, you were not an officer then.

Miss BRENNER. Well, sometimes corporations are formed and you own a share of stock and you assign it. But I don't remember whether I was a shareholder of the Minker Co. or not. I don't remember.

Mr. RICE. As far as you know, right down to the present day, you have not been an officer?

Miss BRENNER. That is right.

Mr. RICE. Now, you continued your activities as a bookkeeper, did you not?

Miss BRENNER. That is right.

The CHAIRMAN. Let me interrupt here. Of course, it may be that you had a qualifying share; is that what you mean?

Miss BRENNER. I don't know what you mean by that.

The CHAIRMAN. If you had been an officer in the corporate structure you may have taken a share or may have been given a share, and then endorsed it over.

Miss BRENNER. I really don't know.

The CHAIRMAN. You don't remember. All right.

Mr. RICE. It may help you. I have some records here which indicate that Isadore Minker was president and Abe Minker was treasurer, and both of them received compensation as officers. Did you receive any compensation other than your salary, in the nature of dividends, or profits of any kind?

Miss BRENNER. No.

Mr. RICE. You have always been on a salary basis?

Miss BRENNER. Sometimes at the end of the year we were given an extra, you might call it, bonus.

Mr. RICE. Bonus?

Miss BRENNER. The books show that.

Mr. RICE. The books show that?

Miss BRENNER. That is right.

Mr. RICE. I see. And how much would the largest bonus that you ever received be in any year?

Miss BRENNER. I don't remember that.

Mr. RICE. It would not be over \$1,000?

Miss BRENNER. I think my income-tax records would show that.

Mr. RICE. Yes. I don't see anything in your tax return indicating any bonus.

Miss BRENNER. It would be in my wages.

Mr. RICE. It would be in your wages?

Miss BRENNER. It would be on the regular payroll records.

Mr. RICE. I think your tax return indicates that I do not believe you ever made over \$5,000 or \$6,000 a year, did you, as your salary and bonus?

Miss BRENNER. That is about right.

Mr. RICE. Did there come a time when you became connected with the Brighton Realty Co.?

Miss BRENNER. Yes; I became a bookkeeper for the Brighton Realty Co.

Mr. RICE. And where is the office of the Brighton Realty Co.?

Miss BRENNER. In the same office with mine.

Mr. RICE. The same office?

Miss BRENNER. Yes.

Mr. RICE. The same as where the produce company is?

Miss BRENNER. That is right.

Mr. RICE. And who were the principals in the Brighton Realty Co.?

Miss BRENNER. I think Isadore and Abe Minker.

Mr. RICE. The same people?

Miss BRENNER. At the time they were incorporated.

Mr. RICE. It is still a corporation, is it not?

Miss BRENNER. Yes; it is.

Mr. RICE. And did you have any stock interest in the Brighton Realty Co.?

Miss BRENNER. I don't think I did.

Mr. RICE. What was your capacity with them?

Miss BRENNER. Bookkeeper.

Mr. RICE. Bookkeeper. Were you paid a salary or other compensation by the Brighton Realty Co.?

Miss BRENNER. Not out of the Brighton Realty Co. I was paid by Minker Bros.

Mr. RICE. You were paid by Minker Bros., but you performed other functions?

Miss BRENNER. That is right.

Mr. RICE. Now, you made up the tax returns for both Brighton Realty Co. and the Minker Corp., did you not?

Miss BRENNER. Yes; I did.

Mr. RICE. Down through the years?

Miss BRENNER. Yes.

Mr. RICE. And you still do that?

Miss BRENNER. Yes.

Mr. RICE. And you are still employed there by both concerns?

Miss BRENNER. That is right.

Mr. RICE. Now, do you have any other employment?

Miss BRENNER. No.

Mr. RICE. So that your entire income, other than any interest or dividends you may have in your stock investments, is made up from your salary from the Minker Bros.?

Miss BRENNER. That is right.

Mr. RICE. Now, what is I. M. Enterprises?

Miss BRENNER. That is a corporation.

Mr. RICE. Another corporation?

Miss BRENNER. Yes.

MR. RICE. What is that?

MISS BRENNER. A real-estate corporation.

MR. RICE. That is another real-estate corporation?

MISS BRENNER. Yes.

MR. RICE. What does "I. M." stand for?

MISS BRENNER. I am only guessing, but I think that is Isadore Minker.

MR. RICE. Isadore Minker?

MISS BRENNER. I am only guessing.

MR. RICE. And where is I. M. Enterprises located?

MISS BRENNER. In the same office.

MR. RICE. In the same office. And that is real estate, too?

MISS BRENNER. Yes.

MR. RICE. And the principals are, then, the same?

(No response.)

MR. RICE. I think they are. I think we can agree on that, except that you are indicated as secretary of I. M. Enterprises.

MISS BRENNER. Yes, Senator; I am secretary of I. M. Enterprises.

MR. RICE. Now, what is the reason for there being two real-estate companies? Why is it necessary to have two companies there along with the produce company?

MISS BRENNER. I couldn't answer you that.

MR. RICE. You are the secretary of the company now?

MISS BRENNER. I am secretary of the company.

MR. RICE. But you do not know why the company was formed?

MISS BRENNER. Yes; a real-estate concern.

MR. RICE. And you are also an employee there of the Brighton Real Estate. But you cannot tell us why it was necessary to form two companies?

MISS BRENNER. No; I don't know why.

MR. RICE. You just do not know?

MISS BRENNER. That is right.

MR. RICE. Do you receive any compensation from I. M. Enterprises?

MISS BRENNER. No.

MR. RICE. You also take care of their books and records and fill out their tax returns?

MISS BRENNER. Yes.

MR. RICE. Now, starting with 1946, I have a notation here that, totaling up your income from 1946 through 1949, from your compensation and all other sources, it is in the neighborhood of \$21,000. That is a 5-year period. Is that about right?

MISS BRENNER. Yes; I would say so.

MR. RICE. So that you have in the last 5 years an income of about \$21,000, do you?

MISS BRENNER. That is about right.

MR. RICE. Now, then, is your sister employed?

MISS BRENNER. Yes.

MR. RICE. Where does she work?

MISS BRENNER. Wertz Engineering Co.

MR. RICE. She is Elsie, and she is over at Wertz?

MISS BRENNER. Yes.

MR. RICE. And she makes about the same amount, does she not?

MISS BRENNER. She makes more than I do at the present.

Mr. RICE. I have a record here for 1946 through 1949 which indicates that her income was a little less than yours, about \$16,000.

Miss BRENNER. If you have the record, you are probably right. But she is earning more than I am at the present time.

Mr. RICE. At the present time. All right, now. In the same years, according to a check we have made of the records you have produced, you bought United States savings bonds in the amount of \$22,375; is that right?

Miss BRENNER. Half of that is mine.

Mr. RICE. Half of that is yours?

Miss BRENNER. That is right.

Mr. RICE. So that you bought half of \$22,000 worth of bonds?

Miss BRENNER. That is right.

Mr. RICE. And who does the other half belong to?

Miss BRENNER. My sister.

Mr. RICE. Your sister?

Miss BRENNER. Yes.

Mr. RICE. She has bought half of them in the last 5 years?

Miss BRENNER. We bought them together. We own them together.

Mr. RICE. Yes. Now, then, according to the brokerage records, you have bought some securities during those years, have you not?

Miss BRENNER. Yes.

Mr. RICE. Who is your broker?

Miss BRENNER. Eastman Dillon.

Mr. RICE. Eastman Dillon. Now, I see during the years 1946, 1947, and 1948 you bought \$22,699 worth of securities through Eastman Dillon; is that about right?

Miss BRENNER. I am afraid that is not right.

Mr. RICE. I beg your pardon?

Miss BRENNER. Will you repeat that?

Mr. RICE. I have a total here of \$22,699.73, during those years.

The CHAIRMAN. 1947, 1948, and 1949. The 3-year period, from 1946 to 1949, inclusive.

Mr. RICE. I will break it down by years, if it would help you any.

Miss BRENNER. Just a moment.

That is about right.

The CHAIRMAN. That is about right.

Miss BRENNER. That is about right.

Mr. RICE. Now, your sister has half of that, too?

Miss BRENNER. Yes, sir.

Mr. RICE. Everything you do is half?

Miss BRENNER. Everything is half.

Mr. RICE. Everything is half with your sister?

Miss BRENNER. That is right.

Mr. RICE. All right. Now, I notice here a loan to the Brighton Realty Co. during that period of \$24,000 from you.

Miss BRENNER. That is right.

Mr. RICE. You have loaned the Brighton Realty Co. \$24,000?

Miss BRENNER. That is right.

Mr. RICE. And is half of that your sister's, too?

Miss BRENNER. That is right.

Mr. RICE. What was the reason for that loan to the Brighton Realty Co.?

Miss BRENNER. The company needed money to pay off a debt.

Mr. RICE. What sort of debt?

MISS BRENNER. I can't recall offhand.

Mr. RICE. Wait a minute. Let us slow down here and think about that.

MISS BRENNER. Yes.

Mr. RICE. Here is a loan you were making to the Brighton Realty Co. of \$24,000. That is a right substantial loan. What was that for?

MISS BRENNER. I know the company needed money.

Mr. RICE. Yes.

MISS BRENNER. So I loaned it to the company.

Mr. RICE. Yes. What did they need it for?

MISS BRENNER. I don't remember.

Mr. RICE. You do not remember what the company needed the \$24,000 for?

MISS BRENNER. I could look at the books, and I could probably tell.

Mr. RICE. If you could look at the books?

MISS BRENNER. Yes.

Mr. RICE. Are you in the habit of lending \$20,000 or \$30,000 to companies and people without knowing what for?

Mr. KOSSMAN. Well—

Mr. RICE. I do not want to be argumentative.

Mr. KOSSMAN. She made a loan to the realty company. Now, why they wanted the money is of no concern to her.

Mr. RICE. Evidently you have not studied much about credit, Mr. Koßman. Generally when you apply for a loan, you want to know.

Now, we will take it that you do not know.

MISS BRENNER. Right now I do not.

Mr. RICE. But in any event, you did it. Now, then, what security did you take by way of a note, or collateral, in connection with your loan to the Brighton Realty Co.?

MISS BRENNER. A promissory note?

Mr. RICE. A promissory note?

MISS BRENNER. The assignment of the stock as collateral.

Mr. RICE. The assignment of the stock?

MISS BRENNER. Yes.

Mr. RICE. And that was Isadore Minker's stock that you took an assignment on, as collateral?

MISS BRENNER. That is right.

Mr. RICE. Now, then, what is the status of that note at the present time?

MISS BRENNER. \$4,000 of that was paid off.

Mr. RICE. It has been curtailed in the amount of \$4,000?

MISS BRENNER. Yes. It is now \$20,000.

Mr. RICE. And the note is past due?

MISS BRENNER. I think it is. I think it was written for 1 year, if I remember correctly.

Mr. RICE. And it is 2 or 3 years past due, is it not?

MISS BRENNER. But I am collecting interest.

Mr. RICE. You are collecting interest?

MISS BRENNER. That is right.

Mr. RICE. And you are renewing the note from time to time?

MISS BRENNER. That is right.

Mr. RICE. Have you made any other loans to the Brighton Realty Co. which have become past due, other than that loan?

Miss BRENNER. No.

Mr. RICE. That is the only loan?

Miss BRENNER. You mean, of mine?

Mr. RICE. Yes.

Miss BRENNER. No. That is the only loan.

Mr. RICE. How about your sister?

Miss BRENNER. This is my sister's and mine.

Mr. RICE. And you are holding the paper now for \$20,000?

Miss BRENNER. That is right.

Mr. RICE. What is the rate of interest that you charge the Brighton Realty Co.?

Miss BRENNER. Five percent.

Mr. RICE. Five percent. Is that note deposited in a bank for collection?

Miss BRENNER. No. I hold that note.

Mr. RICE. You are handling that yourself?

Miss BRENNER. Yes.

Mr. RICE. Now, then, do you have a safe deposit box?

Miss BRENNER. Yes, I do.

Mr. RICE. Where is that located?

Miss BRENNER. The City Bank & Trust Co.

Mr. RICE. In the City Bank & Trust Co.; in Reading?

Miss BRENNER. That is right.

Mr. RICE. And what do you have in that safe deposit box?

Miss BRENNER. I keep the Government bonds in there, and the shares of stock, and money—

Mr. RICE. How much money do you have in there?

Miss BRENNER. I gave a report to Mr. McDonnell. Whatever there is there, that is what I have.

Mr. RICE. Yes. Now, that is in cash?

Miss BRENNER. That is right.

Mr. RICE. I have a notation here that there was \$15,910 there in cash.

Miss BRENNER. That is right.

Mr. RICE. Is that right?

Miss BRENNER. That is right.

Mr. RICE. Is that drawing interest?

Miss BRENNER. No.

Mr. RICE. Why do you keep that amount of cash in your safe deposit box?

Miss BRENNER. We always kept cash.

Mr. RICE. You always keep cash?

Miss BRENNER. We, the family, always kept cash. We did not invest up to the last penny.

Mr. RICE. I see. So it is just a family habit that you keep cash in a safety deposit box?

Miss BRENNER. It may be a notion; it may be for good reason.

Mr. RICE. Could you name a good reason?

Miss BRENNER. To always have ready cash.

Mr. RICE. Yes. Are not the banks always ready to let you withdraw on a savings account?

Miss BRENNER. There was a time when they were not.

Mr. RICE. So that your family has again realized that banks cannot be trusted sometimes; is that it?

Miss BRENNER. May I explain something personally?

Mr. RICE. Surely.

Miss BRENNER. My mother was an epileptic, and my father felt that responsibility on us girls very keenly, and he always felt that if anything would happen to him, my mother would be our responsibility. So we were very economical, and we pooled our money. What belonged to one belonged to the other. And cash was one of those things that we kept ready. As I said before, we did not always invest it. Some things were invested and a lot of things were in cash.

Senator KEFAUVER. May I ask, does this cash belong to you and your sister?

Miss BRENNER. Yes.

Senator KEFAUVER. And how many other people?

Miss BRENNER. My sister and me.

Senator KEFAUVER. Just your sister and you?

Miss BRENNER. That is right.

The CHAIRMAN. Have the Minkers any possible interest in it?

Miss BRENNER. In our money?

The CHAIRMAN. Yes.

Miss BRENNER. None.

The CHAIRMAN. Did it come from this Minkers?

Miss BRENNER. This money?

The CHAIRMAN. Yes.

Miss BRENNER. No.

The CHAIRMAN. Has any of it ever been used by them and replaced? That is to say, even temporarily advanced to them in their operations, and then—

Miss BRENNER. You mean, these things that are in our name?

The CHAIRMAN. Yes.

Miss BRENNER. No.

The CHAIRMAN. Or the cash?

Miss BRENNER. Or the cash? No.

The CHAIRMAN. Mr. Rice?

Mr. RICE. Now, then, you have a loan of \$24,000 to the Brighton Realty Co. Do you have any other loans, any other paper to the individuals?

Miss BRENNER. Yes. Mr. McDonnell has those.

Mr. RICE. Yes. I have an additional \$3,000, I believe, loaned to individuals; is that right; approximately?

Miss BRENNER. You mean, as a note?

Mr. RICE. Yes.

Miss BRENNER. There is a note of \$1,000 to a Mr. and Mrs. Bone.

Mr. RICE. Yes; Mr. and Mrs. Bone.

Miss BRENNER. And there are some mortgages.

Mr. RICE. Now, before leaving Mr. and Mrs. Bone, what was the reason for the loan to the Bones?

Miss BRENNER. Mrs. Bone is a very good friend of mine, and she and her husband bought a farm, and sometime ago, as I understand, they had leased a tractor from a friend and they feel now they wanted to have their own.

Mr. RICE. What business is Mr. Bone in?

Miss BRENNER. A farmer.

Mr. RICE. He is a farmer?

Miss BRENNER. Yes.

Mr. RICE. So it was just a friendship proposition? They knew you had money?

Miss BRENNER. They did not know I had money. They came and asked me, did I know someone who had money, and then when they explained what it was, and they were very good friends, I gave them the money. My sister and I did.

Mr. RICE. All right. In 1949 and 1950, and as far back as 1945, you were lending some money on mortgages, were you not?

Miss BRENNER. Yes.

Mr. RICE. Now, back in May of 1945, I see a mortgage to Albert M. Hoffman; is that right?

Miss BRENNER. Yes.

Mr. RICE. In the amount of \$4,000?

Miss BRENNER. That is right.

Mr. RICE. And is he the same Lieutenant Hoffman who is on the police department?

Miss BRENNER. I thought he was a policeman. I do not know whether he was a lieutenant or not. I thought then he was a policeman.

Mr. RICE. You thought he was a policeman?

Miss BRENNER. That is right.

Mr. RICE. Now, then, tell us how it happened that Lieutenant Hoffman borrowed money from you.

Miss BRENNER. Mr. Samuel Liever worked for us at the time.

Mr. RICE. Mr. Samuel Liever does work for you?

Miss BRENNER. Yes.

Mr. RICE. And what business is Samuel Liever in?

Miss BRENNER. He is a lawyer.

Mr. RICE. What sort of work does he do?

Miss BRENNER. Legal work; minutes.

Mr. RICE. And he is the brother of this Joseph Liever who was here today?

Miss BRENNER. Yes, he is a brother or cousin; brother, I think.

Mr. RICE. Yes.

Miss BRENNER. And during the years of labor troubles and union troubles and wages and hours, there were times when I would have to ask him how to handle certain payroll records.

Mr. RICE. Yes.

Miss BRENNER. So he asked me, did I have the money to lend on a mortgage, that he had a good prospect for a mortgage.

The CHAIRMAN. Would you be kind enough to keep your voice up? I know it is difficult. But try to talk a little louder, please.

Miss BRENNER. So I said, yes, I did, and that is how I lent him the money.

Mr. RICE. Now, then, who did he say this man was?

Miss BRENNER. I don't know whether he said, but I think, if I remember correctly, I wanted to know where he worked.

Mr. RICE. What was he doing in touch with him? Why was he interested in securing money for this policeman?

Miss BRENNER. That I would not know. I think lawyers do that.

Mr. RICE. Lawyers do that in Reading?

Miss BRENNER. I think so, surely.

Mr. RICE. All right. Now, this was \$4,000?

Miss BRENNER. Yes.

Mr. RICE. And what was the security? The secured note was that on Hoffman's house?

Miss BRENNER. That was on Hoffman's house.

Mr. RICE. Was it a first mortgage?

Miss BRENNER. Yes.

Mr. RICE. What was the total value of the house, approximately?

Miss BRENNER. We went to see the house, from the outside. I don't know. I would judge probably \$6,000, and maybe more.

Mr. RICE. Around \$6,000. Did you have it appraised?

Miss BRENNER. No, I did not.

Mr. RICE. You just used your own judgment?

Miss BRENNER. I depended on Mr. Liever's judgment.

Mr. RICE. On Mr. Liever's judgment?

Miss BRENNER. That is right.

Mr. RICE. And he said it was a good loan?

Miss BRENNER. Yes.

Mr. RICE. Now, what is the status of that loan to Lieutenant Hoffman?

Miss BRENNER. Today?

Mr. RICE. Yes.

Miss BRENNER. It is \$3,000.

Mr. RICE. And when was it curtailed the first time?

Miss BRENNER. I don't remember. But it is there in the record.

Mr. RICE. Yes. I think we have a record of a curtail of \$1,000 about a year ago.

Miss BRENNER. It seems longer than that, but I would not contradict you.

Mr. RICE. What were the original arrangements about curtailing? Was it an amortizing mortgage?

Miss BRENNER. I do not remember that. But if I had the mortgage, I could tell. I do not remember.

Mr. RICE. As far as you know, it is just an interest-bearing mortgage?

Miss BRENNER. I believe so.

Mr. RICE. A straight mortgage, and he just paid the interest from time to time?

Miss BRENNER. Yes.

Mr. RICE. Did he ever pay the interest?

Miss BRENNER. Did he ever pay the interest?

Mr. RICE. Yes.

Miss BRENNER. Yes.

Mr. RICE. Did he pay it on time?

Miss BRENNER. Yes.

Mr. RICE. And in what way did he pay it?

Miss BRENNER. Through a check that Mr. Liever would send.

Mr. RICE. Mr. Liever would send you the check?

Miss BRENNER. That is right.

Mr. RICE. And do you recall anything about the amounts of these payments?

Miss BRENNER. Just what do you mean?

Mr. RICE. How often was it due, and what were the amounts?

Miss BRENNER. Every 6 months.

Mr. RICE. Every 6 months he would send a check?

MISS BRENNER. That is right.

Mr. RICE. And after 4 years, he curtailed it \$1,000?

MISS BRENNER. I think so.

Mr. RICE. And when did he curtail it again? When was the most recent time?

MISS BRENNER. I do not think he did. I think that was only once.

Mr. RICE. That is right. It was one time. It was \$4,000.

MISS BRENNER. Down to \$3,000.

Mr. RICE. And that was the only time?

MISS BRENNER. Yes.

Mr. RICE. And is that mortgage current now?

MISS BRENNER. What do you mean by "current"?

Mr. RICE. Does he pay interest now?

MISS BRENNER. Yes, he pays interest every 6 months.

Mr. RICE. All right. Now, I see you have a loan on a mortgage to George S. Fehr, of \$2,500.

MISS BRENNER. Yes.

Mr. RICE. Who is Mr. Fehr?

MISS BRENNER. His mother was a neighbor of ours. In fact, he was, too, as a young man.

Mr. RICE. What business is he in?

MISS BRENNER. He works for the Reading Co.

Mr. RICE. What is the Reading Co.?

MISS BRENNER. The Reading Railroad.

Mr. RICE. He works for the Reading full time?

MISS BRENNER. Yes.

Mr. RICE. In what capacity?

MISS BRENNER. I am not sure, but I think a mechanic of some kind.

Mr. RICE. He is a mechanic. Did you ever hear that he was a numbers pick-up man?

MISS BRENNER. Mr. Fehr?

Mr. RICE. Yes.

MISS BRENNER. No.

Mr. RICE. You lent him \$2,500 on what? On his house?

MISS BRENNER. On his house, yes.

Mr. RICE. And is that mortgage current now? Is he paying interest on that?

MISS BRENNER. Yes, he is paying me every month.

Mr. RICE. All right. Now, you have one here, \$4,000 to Estelle Swinehart.

MISS BRENNER. What is that name?

Mr. RICE. Swinehart.

MISS BRENNER. I don't have a Swinehart mortgage.

Mr. RICE. \$4,000?

MISS BRENNER. No, I don't have a Swinehart mortgage.

Mr. RICE. Do you know anyone named Estelle?

MISS BRENNER. There was an Estelle Swinehart. Years ago we had a mortgage, but that has been cleared long ago.

Mr. RICE. She has paid that off?

MISS BRENNER. Long ago.

Mr. RICE. I see. How much was that for?

MISS BRENNER. I don't remember.

Mr. RICE. What was the nature of that transaction? How did you happen to lend money to Swinehart?

Miss BRENNER. On her house.

Mr. RICE. On her house. Now, then, how about Esterlee, Warren Esterlee?

Miss BRENNER. Warren Esterlee works for the Wirtz Engineering Co.

Mr. RICE. In what capacity?

Miss BRENNER. I think he is a draftsman.

Mr. RICE. A what?

Miss BRENNER. A draftsman, I think.

Mr. RICE. And how much did you lend Esterlee?

Miss BRENNER. I don't remember, but it is marked down there.

Mr. RICE. Yes, I have a notation here that it is \$5,000.

Miss BRENNER. That seems high, but I don't remember.

Mr. RICE. Was that on Esterlee's house?

Miss BRENNER. That was on his house.

Mr. RICE. How did you get in touch with Esterlee?

Miss BRENNER. He works with my sister.

Mr. RICE. He works with your sister?

Miss BRENNER. That is right, the same place.

Mr. RICE. And how did he know that you had money to lend?

Miss BRENNER. He probably did not know that I had money to lend, but as people talk, about the fact that they want to buy that, the same as George Fehr—he did not know we had money to lend, but we became good friends with his wife, and when they wanted to move away from the neighborhood and go housekeeping, we offered them the money. That may have happened, because my sister took that mortgage.

Mr. RICE. Did you appraise Esterlee's house? Did you look at it?

Miss BRENNER. No.

Mr. RICE. Who looked at that for you?

Miss BRENNER. A lawyer handled that. I do not remember his name. My sister probably would remember.

Mr. RICE. All right. Now, how about the loan to Richard Birney? The Esterlee mortgage still is in existence, is it not?

Miss BRENNER. Yes, it is.

Mr. RICE. Are they amortizing that?

Mr. BRENNER. They are paying the interest and an amount on the principal.

Mr. RICE. They are cutting the principal down some?

Miss BRENNER. That is right.

Mr. RICE. Now, how about the one to Richard Birney? Who is he?

Miss BRENNER. What do you mean, how about that?

Mr. RICE. Tell us about the loan to Richard Birney.

Miss BRENNER. A Mr. Goldstan called me.

Mr. RICE. Mr. who?

Miss BRENNER. Mr. Goldstan.

Mr. RICE. And who is Goldstan?

Miss BRENNER. He is a lawyer, too.

Mr. RICE. He is a lawyer?

Miss BRENNER. Yes.

Mr. RICE. Yes.

Miss BRENNER. And he asked me, would I like a mortgage?

Mr. RICE. Yes.

MISS BRENNER. Or could I take a mortgage? And I said I could. So I took that mortgage.

Mr. RICE. And who is Richard Birney?

MISS BRENNER. He is a son to the chief of police.

Mr. RICE. He is the son of the chief of police, is he not?

MISS BRENNER. Yes.

Mr. RICE. Now, did you have any conversation with Richard Birney?

MISS BRENNER. No; only with Ellis Goldstan.

Mr. RICE. How old a man is Richard Birney?

MISS BRENNER. I do not know.

Mr. RICE. You do not know?

MISS BRENNER. No.

Mr. RICE. You did not deal with him at all yourself?

MISS BRENNER. That is right; with Ellis Goldstan.

Mr. RICE. How do you spell Goldstan?

MISS BRENNER (spelling) : G-o-l-d-s-t-a-n.

Mr. RICE. How did you happen to be in contact with Goldstan?

MISS BRENNER. I was not in contact with Goldstan.

Mr. RICE. He is just a man that knows you around town; is that the idea?

MISS BRENNER. I did not say that.

Mr. RICE. We are very much interested in how you happened to lend the son of the chief of police money. That is what we would like to know. If you have anything that would help us, we would appreciate it.

MISS BRENNER. Mr. Goldstan called me. Now, how he knew that I might have money, I do not know. But sometimes people who borrow money talk to each other, and they say, "I bought a house, and I got the money here," or "I got the money there," and they may have done that, too.

Mr. RICE. Is this on Birney's house?

MISS BRENNER. Yes.

Mr. RICE. The young fellow has a house?

MISS BRENNER. Yes.

Mr. RICE. Is it a first trust, a first mortgage?

MISS BRENNER. Yes.

Mr. RICE. In the amount of \$2,400?

MISS BRENNER. I think that is right.

Mr. RICE. And is he paying off on that?

MISS BRENNER. Yes.

Mr. RICE. What is the status of it now?

MISS BRENNER. I believe it is either \$2,200 or \$2,100. I am not sure.

Mr. RICE. He has curtailed it somewhat?

MISS BRENNER. Yes.

Mr. RICE. Did you have any conversation with him personally?

MISS BRENNER. No.

Mr. RICE. How does he pay?

MISS BRENNER. Mr. Goldstan sends me a check.

Mr. RICE. He pays Goldstan, and Goldstan sends you a check?

MISS BRENNER. That is right.

Mr. RICE. Why is that? Why doesn't he pay you directly?

MISS BRENNER. I do not know. I am not home. And it is probably easier for his wife to go in to Mr. Goldstan and pay there and then

have it sent out to me. And one day Mr. Goldstan asked me, how did I want to handle this, would it be all right, and should he handle it for me? And I said, "Yes."

Mr. RICE. What does he get out of it? What does Goldstan get out of it?

MISS BRENNER. Nothing from me.

Mr. RICE. Now why should he be acting as a collection agent and paying postage stamps to send you checks if he does not get anything out of it?

MISS BRENNER. He may get it from Mr. Birney; I do not know.

Mr. RICE. He may get it from Mr. Birney. I think if my figures are correct, in the last 5 years—do you have any bank accounts other than that safe-deposit box?

MISS BRENNER. Yes.

Mr. RICE. How much do you have in the bank account, and where is it?

MISS BRENNER. That is in the record, too.

Mr. RICE. Well, where is your bank account?

MISS BRENNER. The bank account is in the Reading Trust Co., a savings account and checking account, and in the City Bank, and in the Peoples Bank.

Mr. RICE. Do you have three accounts?

MISS BRENNER. That is right.

Mr. RICE. And what do the total deposits of those three accounts aggregate, approximately?

MISS BRENNER. I would not know.

Mr. RICE. Could you guess within \$5,000?

MISS BRENNER. No; I could not guess. But I gave the figures in my report, and that is what it was, according to the figures.

Mr. RICE. The only figure I have here is the amount that you had in your safe-deposit box, which was \$19,000. In your savings account and in your bank accounts, would you want to say it was \$20,000, or \$10,000, or \$30,000?

MISS BRENNER. I really don't know.

Mr. RICE. You mean to say you do not know what you have in the bank any closer than \$30,000?

MISS BRENNER. I do not think it is \$30,000.

Mr. RICE. What do you think it is?

The CHAIRMAN. Do I understand that you gave it to the——

MISS BRENNER. I gave the books——

The CHAIRMAN. To the representative?

MISS BRENNER. I gave the books to Mr. McDonnell.

The CHAIRMAN. You gave the books themselves to Mr. McDonnell. Was there a record in the books of the amount of your bank accounts?

MISS BRENNER. Yes. The books themselves showed what the balance was there.

The CHAIRMAN. I see.

Mr. RICE. We are just talking across the table here and are interested in finding out approximately what you maintain in your savings and checking accounts in the banks. Now, can you come closer than \$30,000? What would it be?

MISS BRENNER. I really do not know.

Mr. McDONNELL. Your average balance? What do you keep for an average?

Mr. KOSSMAN. The records are available.

The CHAIRMAN. I think if the lady gave her books to the staff representatives, the staff representative ought to know.

Mr. KOSSMAN. If he mentions the figure, would that make it easier for you?

Miss BRENNER. I feel sure it is not \$20,000 or \$30,000. But if I would say \$5,000 or \$3,000 or \$6,000, I would not know any different. I really do not know.

Mr. RICE. Could you come within about \$5,000? We are not trying to pin you down to \$1.

Miss BRENNER. Mr. Senator, I really don't know.

Mr. RICE. Thank you.

Mr. McDONNELL. Can you come within \$1,000 or \$2,000? In other words, most people know that they are carrying an average bank balance. Some people carry an average bank balance of \$500; others carry an average—

The CHAIRMAN. Let us stop and make short work of this. Where are the books?

Miss BRENNER. They were returned to me.

The CHAIRMAN. Have you got them available here?

Miss BRENNER. No. But if I had thought that I would run into something like this, I would have brought it in.

The CHAIRMAN. All right.

Mr. RICE. But there is some money?

Miss BRENNER. Yes.

Mr. RICE. Now, do you have any bank accounts outside of the State of Pennsylvania?

Miss BRENNER. Not bank accounts, no.

Mr. RICE. Not bank accounts?

Miss BRENNER. No.

Mr. RICE. Do you have any property that you own outside the State of Pennsylvania?

Miss BRENNER. We have Federal savings certificates.

Mr. RICE. Now, you have quite a number of those Federal savings certificates, do you not?

Miss BRENNER. Yes.

Mr. RICE. And what do they amount to?

Miss BRENNER. It should be there.

Mr. RICE. Yes. In 1949 you bought \$7,500 worth. It is not too clear to me just what was bought, but I see you have some certificates in the Federal Savings and Loan in Texas.

Miss BRENNER. Yes.

Mr. RICE. Some in Upper Darby, Philadelphia.

Miss BRENNER. They may have been cashed. I am not sure.

Mr. McDONNELL. Are these stock certificates?

Miss BRENNER. They are paid up shares of Federal savings.

The CHAIRMAN. Suppose we take a recess at this time now for an hour and in the meantime, if counsel can get together with the witness and can collaborate on fixing these things, we possibly can expedite this matter.

We will take a recess for an hour.

(Thereupon, at 12:55 p. m., a recess was taken until 1:55 p. m.)

AFTERNOON SESSION

The CHAIRMAN. The hearing will please come to order.
We will now continue with the witness before us.

**FURTHER TESTIMONY OF MISS ANNA BRENNER, READING, PA.,
ACCOMPANIED BY JACOB KOSSMAN, ATTORNEY, PHILADELPHIA,
PA.**

Mr. RICE. To recapitulate a little bit, Mr. Chairman, the staff has gotten together with the witness during the luncheon recess and I want to see if I have the situation fairly correct. For the period from 1946 to 1949 the reported income of your sister was, in round figures—these are all round figures—\$16,000, and your reported income was \$21,000, making a total of \$37,000.

In connection with certain expenditures that have been made from 1946 to 1949, you have a total of these bank bonds, these Federal Savings and Loan bonds, in the amount of \$7,500. You have a loan to Brighton Realty of \$24,000, the loan to Bohn and others in the amount of \$3,000. You bought United States savings bonds in the amount of \$22,000. You have acquired various stock purchases, stocks and bonds, through your brokerage house, in the amount of \$22,000. You have lent money on other mortgages to Birney and these other people in the amount of \$18,000. That makes a total of expenditures, exclusive of your money that you have in the bank and money that you have in your safe deposit boxes and in your house—you also own the house next door; don't you?

Miss BRENNER. No.

Mr. RICE. Didn't you buy that recently?

Miss BRENNER. No.

Mr. RICE. You have no interest in the house next door?

Miss BRENNER. No.

Mr. RICE. Is there a relative there?

Miss BRENNER. Yes.

Mr. RICE. The relative owns it?

Miss BRENNER. As far as I know.

Mr. RICE. As far as you know, did you lend the relative any money in connection with that?

Miss BRENNER. No.

Mr. RICE. Who is the relative?

Miss BRENNER. My aunt and my cousin.

Mr. RICE. And they bought that themselves? You had nothing to do with the transaction?

Miss BRENNER. Nothing; no.

Mr. RICE. You did not lend them any money or your sister did not lend them any money?

Miss BRENNER. No.

Mr. RICE. The total of these expenditures, in round figures, add up to \$96,500 during that time. During the same period your income and your sister's income was \$37,000. Would you like to tell us how it is possible to spend that money while only taking in that much?

Miss BRENNER. To begin with, those war bonds are face value. They are not worth face value until they mature.

Mr. RICE. They are worth about 75 percent.

MISS BRENNER. About 75 percent, yes.

MR. RICE. Take off \$5,000, then, which would be 25 percent. You still have \$91,000.

I am not going to quibble with you about nickels and dimes. We are interested in how you can acquire nearly twice as much in expenditures as you have income. How do you do that?

MISS BRENNER. That amount seems rather high to me, but I am letting it go as you figure it.

MR. RICE. It is taken from your own figures.

MISS BRENNER. What we bought doesn't necessarily mean that it was out of what we earned in those same years.

MR. RICE. I see. So that some of this money came from money you already had on hand?

MISS BRENNER. Yes, before.

MR. RICE. Before 1946. How much money did you have on hand before 1946?

MISS BRENNER. I do not know, Mr. Senator.

MR. RICE. Where did you have the money?

MISS BRENNER. Before 1946?

MR. RICE. Yes.

MISS BRENNER. In fact, way before that.

MR. RICE. Yes.

MISS BRENNER. At any time?

MR. RICE. Yes.

MISS BRENNER. We had money at home.

MR. RICE. Where did that come from?

MISS BRENNER. We had money from the bank.

MR. RICE. Take it easy now. Where did the money at home come from?

MISS BRENNER. From what we all earned.

MR. RICE. Who is "we all"?

MISS BRENNER. My father, my sister, my sister Elsie, and I.

MR. RICE. This is the joint savings of your father and your sister and yourself?

MISS BRENNER. And another sister.

MR. RICE. That you had at home?

MISS BRENNER. Yes.

MR. RICE. What became of your other sister?

MISS BRENNER. She died.

MR. RICE. She pooled her money in there too?

MISS BRENNER. All of us; yes.

MR. RICE. Where did you keep that money?

MISS BRENNER. It wasn't all money: Some was money, some was in income, some was in mortgages, some was in bonds.

MR. RICE. All right. Did you have any around the house in cash?

MISS BRENNER. Yes.

MR. RICE. How much did you have around the house at the time of your father's death?

MISS BRENNER. I could not say. I would not know.

MR. RICE. Can you say approximately?

MISS BRENNER. No; I could not say.

MR. RICE. Was it \$100,000?

MISS BRENNER. No; not \$100,000.

Mr. RICE. How much did your father leave? What was the total of his estate? He filed an estate, didn't he?

Miss BRENNER. He left no estate.

Mr. RICE. He left no estate?

Miss BRENNER. So to speak, except a few hundred dollars he had inherited from a cousin which had to go through inheritance court because it was—

Mr. RICE. Your father had an estate of a few hundred dollars, so that eliminates him. He did not have anything.

Miss BRENNER. You misunderstood me. That is what went through inheritance court.

Mr. RICE. Yes.

Miss BRENNER. Everything else was given to us before father died. You see, before father died.

Mr. RICE. Before he died he gave you money?

Miss BRENNER. Yes. And what was his and mother's jointly went to mother.

Mr. RICE. I see.

Miss BRENNER. And what—

Mr. RICE. Were any gift taxes paid on these gifts, do you know?

Miss BRENNER. No.

Mr. RICE. They were not paid?

Miss BRENNER. Mr. Paul Edelman handled everything and he surely did it properly.

Mr. RICE. Who is Paul Edelman?

Miss BRENNER. He is an attorney.

Mr. RICE. He handled everything?

Miss BRENNER. Yes.

Mr. RICE. He would know all about these gifts? Did I hear you say he would know about these gifts?

Miss BRENNER. These things that father gave us or my sister, they were given to us before he died.

Mr. RICE. Did Mr. Edelman handle that?

Miss BRENNER. I would not say Mr. Edelman handled that.

Mr. RICE. What did he do?

Miss BRENNER. He handled the inheritance case of several hundred dollars.

Mr. RICE. He handled the probate case of several hundred dollars?

Miss BRENNER. Yes.

Mr. RICE. Let's not be difficult about this thing. It is fairly simple. You spent nearly a hundred thousand dollars in 3 or 4 years. Where did that money come from, exclusive of salary? You have to pay your own living expenses and run your house and things like that. You have to live. So presumably your entire salary was not a clear profit. Where did this extra \$50,000 or \$60,000 come from?

Miss BRENNER. I do not know where the \$50,000 or \$60,000 that you mentioned—where did you get that figure?

Mr. RICE. Do you have a piece of paper and a pencil?

Mr. KOSSMAN. I do not want to break into the proceedings in the slightest way, but if it is helpful, as I get the story from both her and her sister, they have been working all their lives. I hate to say how many years all their lives means. They have saved practically every penny. One sister here, the other sister, has the four pay envelopes showing how she saved the money for the last month unopened.

Certainly, if you direct questions perhaps to this sister—

Mr. RICE. Yes. Mr. Kossman, this is not a complicated problem. If she wants to say this is money saved from her salary, all right. But the picture is very clear here that there has been about \$50,000 or \$60,000 spent in the last 3 or 4 years over and above the reported income.

We are interested in where that came from. If it is savings from salary, all right; if it is gifts, then it represents gifts from her father, all right.

Mr. KOSSMAN. I wish you would request—

Mr. RICE. Where would the money come from?

Miss BRENNER. Some of it is savings from salary.

Mr. RICE. How much would you say you saved from your salary? You have a figure here of at least \$60,000. You started spending very rapidly here in 1946-47. At least you were acquiring stocks and bonds and things like that that you did not do before.

Miss BRENNER. Mr. Senator, before we had mortgages in banks, what you call pool mortgages or trust certificates in banks.

Mr. RICE. Yes.

Miss BRENNER. In the Pennsylvania Trust Bank before it was the City Bank, in the Farmers National Bank before it became the Union National.

Mr. RICE. Who owns the mortgages?

Miss BRENNER. I own some, father owns some, Catherine owns some.

Mr. RICE. What did it aggregate?

Miss BRENNER. I cannot tell you. All the money we had was what we earned, our whole family together, and what we saved from what we earned.

Mr. RICE. This money did not come from any other source?

Miss BRENNER. No.

Mr. RICE. When did you convert this money that you had saved up and put it in a place where you could spend it?

Miss BRENNER. I would not say that we had saved up all this as money. If a mortgage was paid off and we felt we did not need the money or did not want to keep it as money, we reinvested it in something else.

Mr. RICE. Can you recall any other mortgages you had before 1946 of the type about which you are speaking of, which you converted?

Miss BRENNER. Before 1946?

Mr. RICE. Yes.

Miss BRENNER. Now I am going way back into history, and these are names, and I won't remember the amounts, but I remember some names. Sherrelli was a mortgage.

Mr. RICE. How much was that for?

Miss BRENNER. I do not know.

Mr. RICE. Approximately how much?

Miss BRENNER. I do not remember.

Mr. RICE. Was it more than a thousand?

Miss BRENNER. I think it was.

Mr. RICE. Was it on Sherrelli's house?

Miss BRENNER. I think it was on a hotel property.

Mr. RICE. Who owned it?

Miss BRENNER. I do not know whether I owned it, father owned it, or Catherine owned it, or Elsie owned it.

Mr. RICE. When Sherrelli paid off his mortgage, what did you do with the money?

Miss BRENNER. I do not know. We either kept it as money or kept it in a savings account and, when we had another amount, we invested it in another mortgage.

Mr. RICE. Would you say that Sherrelli's mortgage was cashed before 1946?

Miss BRENNER. Oh, that was way back.

Mr. RICE. Could you think of any between 1940 and 1946 that were cashed in?

Miss BRENNER. I do not remember dates in connection with these, but I will give you other names.

Mr. RICE. All right.

Miss BRENNER. There was a Barr mortgage. There was a Daly and Scherer mortgage. That was through the Pennsylvania Trust Co.

The CHAIRMAN. On names, and that kind of thing, please speak a little more slowly.

Miss BRENNER. O. K.

The CHAIRMAN. Thank you.

Mr. RICE. Would you say that all these mortgages about which you are talking were with the Pennsylvania Trust Co.? The Pennsylvania Trust Co. was handling them?

Miss BRENNER. Not all of them. Some of them were Pennsylvania Trust Co., some were Berks County Trust Co., some were Union National Bank. Some also were Farmers National Bank.

Mr. RICE. Was that the total of all the banks handling these for you? Any other banks?

Miss BRENNER. I think so.

Mr. RICE. Let's be a little more definite.

Miss BRENNER. Yes, I think so.

Mr. RICE. Were there any other mortgages that you had that were not handled by banks?

Miss BRENNER. Yes.

Mr. RICE. What were those?

Miss BRENNER. There was another Fehr mortgage, the brother to this Fehr we have now. This is George Fehr. The other was Harry Fehr. I think my father had that mortgage.

Mr. RICE. Was there ever a mortgage on the house at 124 Green?

Miss BRENNER. 124 Green?

Mr. RICE. Isn't that where you live?

Miss BRENNER. 184 West Green. Yes, there was a mortgage on that originally.

Mr. RICE. When was that paid off?

Miss BRENNER. That was paid off a long time ago.

Mr. RICE. How long?

Miss BRENNER. Before my Uncle Chris died.

Mr. RICE. When was that?

Miss BRENNER. I cannot remember that.

Mr. RICE. Was it in 1930?

Miss BRENNER. That would have been 20 years ago.

Mr. RICE. Yes.

Miss BRENNER. It is longer than that.

Mr. RICE. It is longer than that the mortgage on the house was paid off?

MISS BRENNER. Yes.

MR. RICE. What business was your father in?

MISS BRENNER. A stonemason.

MR. RICE. Where did he get the money that he used to lend?

MISS BRENNER. It is as I said. He worked and saved and we all worked and saved. My two sisters and I worked and saved.

MR. RICE. All right, is it fair to say that this \$50,000 or \$60,000, then, that you have invested in the last few years came from mortgages that your family owned?

MISS BRENNER. I do not think it was that high. I do not think what we got from my father and sister was that high.

MR. RICE. Where did the rest of the money come from then?

MISS BRENNER. I think your figure there as to previous amounts is rather high.

MR. RICE. In what respect?

MISS BRENNER. Because, as I remember, I do not believe from father and my departed sister it amounted to \$50,000 or \$60,000.

MR. RICE. You do not think you got that much from them?

MISS BRENNER. I do not think so.

MR. RICE. I might go along with you on that, but I am interested in knowing where the extra money came from that permitted you to make these investments in the last 3 or 4 years.

MISS BRENNER. From what we saved and earned.

MR. RICE. Savings from salary?

MISS BRENNER. Salary and we saved our interest.

MR. KOSSMAN. Mr. Rice, I hate to interrupt you again, but it is a rather unusual witness. Her sister is here.

THE CHAIRMAN. Leave that up to us as to when to call her.

MR. KOSSMAN. Because of the fact that they pool their money together, she is perfectly willing to talk about it at this time.

MR. RICE. We will stipulate on that, that the sister is jointly in these enterprises with her, and it was her savings, too, and that her total income for the last 5 years was \$16,000.

MR. KOSSMAN. But you are limiting it to the 5 years. These people testified they worked all their life.

MR. RICE. Let's see about this. You have an account down here at the Reading Trust, don't you?

MISS BRENNER. Yes.

MR. RICE. You deposit your salary in there?

MISS BRENNER. Not only salary.

MR. RICE. What else do you put in there?

MISS BRENNER. If we get interest, we put that in. Sometimes we don't put it in.

MR. RICE. What else do you put in besides interest?

MISS BRENNER. Interest and salary—that is all we get.

MR. RICE. Interest and salary are all you put in. Is that your income?

We have made a review, Miss Brenner, of your account at the Reading Trust for the last 4 years, and we find that total deposits in your account there are \$61,037.18.

MISS BRENNER. When some mortgages fall due or some bonds fall due they get paid. So we deposit them. At another time we draw that out and reinvest that money. The deposits may look high. It may be the same money rotating.

Mr. RICE. I see. How about the interest on these? Are all these mortgages coming due in the last 4 years, this \$61,000?

MISS BRENNER. I do not know about the last 4 years. I know we had Government bonds that fell due. My income tax returns show that.

Mr. RICE. Your tax return shows in the neighborhood of \$300 or \$400 a year from interest.

MISS BRENNER. There are some years that have more interest, when savings bonds matured.

Mr. RICE. I do not see any of those.

MISS BRENNER. There are some.

Mr. RICE. I do not believe I see any years in which it would indicate that was over \$300 or \$400 in interest.

MISS BRENNER. There are some.

Mr. RICE. All right. Then we will take the answer that this amount of nearly \$100,000 is a combination of savings, mortgages which were held by you and the family and your salary; is that right?

MISS BRENNER. That is right.

Mr. RICE. No other source of income?

MISS BRENNER. That is right.

Mr. RICE. Did the Minkers ever give you any money that you put in there?

MISS BRENNER. My salary.

Mr. RICE. Here is your return for 1949. You have the total income from Minker Bros., salary, \$3,600; dividends, \$524; interest, \$813. In 1947 you show interest of \$181 and dividends of \$556. In 1946, dividends of \$460 and interest of 188. I do not see anything which would indicate the possibility of \$61,000 in deposits in your bank account during those years from dividends and interest.

MISS BRENNER. If any mortgage or Government bond was paid off.

Mr. RICE. I take it that you say you have not handled any money from the Minkers at all through your account.

MISS BRENNER. Not from my account, no.

Mr. RICE. Have you handled any money for them?

MISS BRENNER. In their business, sure.

Mr. RICE. That is strictly in the business account, but in your own bank account.

MISS BRENNER. In my own bank account, it is our own money.

Mr. RICE. All your own money?

MISS BRENNER. That is right.

Mr. RICE. That is money you saved up during this time?

MISS BRENNER. From the whole family.

Mr. RICE. You keep Minkers' records, don't you—both of them?

MISS BRENNER. I keep Minker Bros., and Brighton Realty Co., and I. M. Enterprises, and I keep some of the percentage-stock records.

Mr. RICE. You keep their personal records?

MISS BRENNER. Dividends and interest of Isadore Minker.

Mr. RICE. Would you say that you keep substantially all of the records for Isadore Minker?

MISS BRENNER. I keep his stock records, his mortgages and interest records.

Mr. RICE. Did you make up his personal-tax return?

MISS BRENNER. No.

Mr. RICE. Who does that?

MISS BRENNER. Mr. Wilson.

MR. RICE. Who is Mr. Wilson?

MISS BRENNER. You must have his return there; Wilson & Quinlan, I think the name is.

MR. RICE. Now, then, Isadore Minker—did he spend quite a bit of time at the produce company?

MISS BRENNER. Yes; I would say he does.

MR. RICE. Does he spend substantially all of his time there?

MISS BRENNER. I would say so.

MR. RICE. I think you said so in one of the returns you filed, that Minker spent 100 percent of his time there. Isn't that right?

MISS BRENNER. Devoted to business, I think that says.

MR. RICE. He devotes 100 percent of his time to business.

MISS BRENNER. Which does not necessarily mean he is right there.

MR. RICE. When you speak about his business, what businesses do you talk about?

MISS BRENNER. When I speak about his business?

MR. RICE. The produce business?

MISS BRENNER. The produce business.

MR. RICE. And the real-estate business?

MISS BRENNER. That is right.

MR. RICE. Is he in the gambling business?

MISS BRENNER. I do not know. I know this.

THE CHAIRMAN. Haven't you some definite indications that he is?

MISS BRENNER. When he gives me his tax return to put away I notice on there miscellaneous income or gambling or something to that effect.

THE CHAIRMAN. That did not surprise you when he had this gambling on there, did it?

MISS BRENNER. I do not think it affected me at all because it was none of my concern.

THE CHAIRMAN. But if you had no prior knowledge that he might be engaged in gambling, I guess you would be a little surprised, wouldn't you, to have seen some reference to the fact that he was reporting income from gambling?

MISS BRENNER. I am not sure whether it says gambling. I am not sure.

THE CHAIRMAN. But you think it might?

MISS BRENNER. I think it is miscellaneous income.

THE CHAIRMAN. Why did you volunteer then that it might have been gambling?

MISS BRENNER. There are some returns—I do not know whether they are Isadore Minker's or Abe Minker's—somewhere I saw gambling on returns.

THE CHAIRMAN. Could it have been with respect to either of them?

MISS BRENNER. I said on one of the returns.

THE CHAIRMAN. On one or the other?

MISS BRENNER. On one or the other.

THE CHAIRMAN. And you are not sure of which one?

MISS BRENNER. That is right.

THE CHAIRMAN. So it might be with regard to both, do you think?

MISS BRENNER. I am not sure, but I think that it is either miscellaneous income or gambling on one or the other or on both.

The CHAIRMAN. Entirely apart from the income-tax returns, had you not pretty well had a well-defined belief that either one or both engaged in gambling operations?

Miss BRENNER. No.

The CHAIRMAN. Have you no such information?

Miss BRENNER. Now?

The CHAIRMAN. Yes.

Miss BRENNER. Now, sitting here all morning.

The CHAIRMAN. You mean to say before you came this morning that you had no information?

Miss BRENNER. And lately, since the papers.

The CHAIRMAN. How lately? When was the first time that you learneded that they were engaged in gambling operations?

Miss BRENNER. I could not tell you. I do not know.

The CHAIRMAN. You have said lately.

Miss BRENNER. I mean lately. There is so much in the papers.

The CHAIRMAN. You mean to tell us that you who have been so closely associated with them had to learn it from the newspapers?

Miss BRENNER. You hear gossip, too.

The CHAIRMAN. And is that the only way you found out, through gossip and the newspapers?

Miss BRENNER. And through filing those returns.

The CHAIRMAN. Never learned it through personal observations or contacts?

Miss BRENNER. No.

Mr. RICE. How about the time that Abe Minker was arrested in connection with that stolen bond, \$5,000 bond that was stolen in a bank robbery out in Minnesota? Is that news to you?

Miss BRENNER. How about that?

Mr. RICE. In 1940, when you were working for him, when he was arrested with Henry Fudeman.

Miss BRENNER. I have a vague idea.

Mr. RICE. Vague idea?

Miss BRENNER. I have a vague idea of something. I do not remember exactly what it was. I have a vague idea when I first worked there.

Mr. RICE. Does that create some question in your mind about what the true activities of the Minkers were?

Miss BRENNER. No; it didn't.

Mr. RICE. Did they give you any explanation about what that trouble was?

Miss BRENNER. You mean did they give me an explanation?

Mr. RICE. Yes.

Miss BRENNER. No; I would not ask for an explanation.

Mr. RICE. Who kept the books on the gambling phase of the operations?

Miss BRENNER. I do not know anything about a gambling phase. I would not know whether any books are kept.

Mr. RICE. It was still all right with you to put down on the tax return that Abe Minker devoted his entire time to Minker Bros.' business and sign your name to it, when you had information that gambling was going on; is that right?

Miss BRENNER. I would not say that I had information that there was gambling going on. I have information that there is gambling

marked on some of those tax returns. I do not know of gambling going on.

Mr. RICE. You keep them for them?

Miss BRENNER. Yes; I file them away.

Mr. RICE. As a matter of fact, Minker showed on that tax return that you saw that his salary from Minker Bros. was around \$3,900, and he had in the neighborhood of \$40,000 from gambling. Did that make any impression on you?

Miss BRENNER. Mr. Senator, I am a bookkeeper. I am not to judge other people's lives.

Mr. RICE. I am not suggesting that.

The CHAIRMAN. No one has asked you to do that. We are just asking you about your information about this. We did not ask you to put a conclusion on it or a judgment on it. We were just asking you for the facts, and you have indicated very clearly in response to questions that I asked you a few minutes ago that you had no other information except that from the newspapers, from gossip, or possibly from one entry on an income-tax return.

Miss BRENNER. That is right.

The CHAIRMAN. Now the question is asked you whether or not you did not learn of the wide disparity between his income from gambling operations and those from the business.

Miss BRENNER. What could I think about that? What would there be to think?

The CHAIRMAN. Did you know that?

Miss BRENNER. What was on the return, that was all I would know.

The CHAIRMAN. Did you see on his return that his gambling netted him \$40,000 during the year?

Miss BRENNER. I do not remember that figure.

Mr. RICE. Now, in connection with these companies, Minker Bros. and Brighton Realty, any of those companies, did any one of them own any automobile?

Miss BRENNER. Minker Bros. owned trucks.

Mr. RICE. They own trucks?

Miss BRENNER. Minker Bros. own trucks.

Mr. RICE. Do they own any Cadillacs?

Miss BRENNER. No.

Mr. RICE. Never have owned any Cadillacs?

Miss BRENNER. Maybe way back. I do not remember. Maybe way back, when we owned a car, but I do not remember whether it was a Cadillac.

Mr. RICE. It was a 1944 Cadillac that the company owned.

Miss BRENNER. It is possible. I do not remember that it was a Cadillac.

Mr. RICE. They do not own any cars now?

Miss BRENNER. No; trucks.

Mr. RICE. Who used the Cadillac that they owned back there?

Miss BRENNER. I do not know.

Mr. RICE. You worked there.

Miss BRENNER. I do not know everything. I do not know who uses this truck or that truck or that car.

Mr. RICE. You did not use it?

Miss BRENNER. No.

Mr. RICE. The only people in the company outside of you are the Minkers; is that right?

Miss BRENNER. That is right.

Mr. RICE. The Minkers used it. Is that hard to say?

Miss BRENNER. Most likely they did.

Mr. RICE. As a matter of fact, this money that you lent to the son of the chief of police and Lieutenant Hoffman was for the protection of the operations of the Minkers; is that right?

Miss BRENNER. That is not right. Why should I protect them?

Mr. RICE. I do not know.

Miss BRENNER. I lent them the money on the house and I collected it. I got the interest. When you talk about protection I do not even know anything about protection.

Mr. RICE. I think you know what I am talking about. Protection means to keep the police from arresting them.

Miss BRENNER. The mortgages that I bought had nothing to do with that.

Mr. RICE. And you want to say, then, that the Minkers had nothing to do with suggesting that the money be loaned to Lieutenant Hoffman of the vice squad, the man charged with the suppression of gambling, or to the son of the chief of police also charged with the suppression of gambling, although you knew from filing these things that gambling was the Minkers' business?

Miss BRENNER. Will you repeat that, please?

Mr. RICE. I think you understood it. You knew that gambling was the Minkers' business because you filed the returns which showed gambling on there.

Miss BRENNER. I knew that; yes.

Mr. RICE. You knew they were in trouble in 1940 with the police in connection with some hot, stolen bond. Then you come along in 1946 and 1947 and lend money to police officers. Don't you think that is questionable?

Miss BRENNER. To me it has nothing to do with what I have done with those reports. It has absolutely nothing to do with it.

Mr. RICE. It is possible, though, isn't it?

Miss BRENNER. I would not say. I know that I am not a party to anything like that.

The CHAIRMAN. Did the Minkers know of your advance of money to the son of the chief of police?

Miss BRENNER. I do not know whether they knew or not.

The CHAIRMAN. None of them ever mentioned it to you before or after the transaction?

Miss BRENNER. I don't think so.

The CHAIRMAN. Can you be certain?

Miss BRENNER. I do not even know whether they knew it until this time. I do not know.

The CHAIRMAN. Senator Kefauver?

Senator KEFAUVER. I do not believe I have any questions.

The CHAIRMAN. Nothing more at this time.

Mr. KOSSMAN. There is her sister here who was not subpoenaed but, in view of the rather surprising nature of the testimony, if the committee would like to hear from her sister.

The CHAIRMAN. We will perhaps at a later time. We are developing our own information in our own way.

Mr. KOSSMAN. I would like to have the record show that these are four envelopes—

The CHAIRMAN. Just suppose you hold that until we have her sister.

Mr. RICE. Alex Fudeman.

The CHAIRMAN. Will you raise your right hand. In the presence of the Almighty God, do you solemnly swear to tell the truth, the whole truth, and nothing but the truth?

Mr. FUDEMAN. I do.

**TESTIMONY OF ALEX FUDEMAN, READING, PA., ACCCOMPANIED
BY JACOB KOSSMAN, ATTORNEY, PHILADELPHIA, PA.**

The CHAIRMAN. What is your name?

Mr. FUDEMAN. My name is Alex Fudeman.

The CHAIRMAN. Mr. Fudeman, what is your address?

Mr. FUDEMAN. 530 Franklin Street.

The CHAIRMAN. Reading, Pa.?

Mr. FUDEMAN. That is right.

The CHAIRMAN. How long have you lived in Reading?

Mr. FUDEMAN. I refuse to answer that question.

The CHAIRMAN. What business are you engaged in?

Mr. FUDEMAN. I refuse to answer that question because it might incriminate me.

The CHAIRMAN. Might incriminate you of what?

Mr. FUDEMAN. I refuse to answer that question.

The CHAIRMAN. You are represented here by counsel, are you?

Mr. FUDEMAN. I am.

The CHAIRMAN. Who is your counsel?

Mr. FUDEMAN. Mr. Kossman.

The CHAIRMAN. You have been identified previously as the counsel serving as the legal representative of the preceding witness.

Mr. RICE. Let me ask you this, Mr. Fudeman: Are you under indictment at the present time?

Mr. FUDEMAN. Under indictment?

Mr. RICE. Yes.

Mr. FUDEMAN. No; I am not, not to my knowledge.

Mr. RICE. You do not know that you are under indictment?

Mr. FUDEMAN. I do not know that I am under indictment.

Mr. RICE. You refuse to answer the question about how long you lived in Reading?

Mr. FUDEMAN. Yes, sir.

Mr. RICE. I think I would like to suggest that the Chair direct that the witness answer.

The CHAIRMAN. Yes; the Chair will direct that you answer that question.

Mr. FUDEMAN. I refuse to answer that question on the ground that it may incriminate me.

The CHAIRMAN. Counsel indicates that you may answer it.

Mr. KOSSMAN. I see no reason for refusing to answer that question.

Mr. FUDEMAN. Would you mind repeating the question?

Mr. RICE. How long have you live in Reading?

Mr. FUDEMAN. I refuse to answer that question.

The CHAIRMAN. Next question, please.

Mr. RICE. With respect to the question: How long have you lived in Reading, you have indicated that you feel that you are not under indictment at the present time; is that correct?

Mr. FUDEMAN. That is correct.

Mr. RICE. Now, then, do you feel that answering that question would incriminate you of a Federal or a State offense? I think we are entitled to know, Counsel, whether he feels the question would incriminate him of a Federal or a State offense, rather than have a hypothetical set-up in his mind. He must have a very real, apparent fear of prosecution of a particular offense in order to assert the privilege which he is endeavoring to do.

Mr. KOSSMAN. I don't want to be placed in a position—

The CHAIRMAN. Counsel, we do not care to engage in colloquy with you. If you desire to advise your client, that is his right, and you may do so.

Mr. FUDEMAN. You asked me how long I have lived in Reading?

The CHAIRMAN. Yes.

Mr. FUDEMAN. I would say roughly around 17 years.

Mr. RICE. You have lived in Reading 17 years?

Mr. FUDEMAN. Approximately.

Mr. RICE. Approximately 17 years. All right, sir. How long have you lived at the address where you live now?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. On what grounds do you refuse to answer the question?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. You refuse to answer the question, on what grounds do you refuse?

Mr. FUDEMAN. Because it might incriminate me.

Mr. KOSSMAN. I think when the witness says he refuses to answer on the ground that it might incriminate him, rather than repeat it over again, it should be assumed in each instance.

The CHAIRMAN. Yes. Counsel, would it be understood, then, that without repeating each time, the Chair would like to have it understood that he is directed to answer the questions, and it is also understood that he declines to answer on the ground that the answer might tend to incriminate him?

Mr. KOSSMAN. Yes.

The CHAIRMAN. He would not have to repeat that each time.

Mr. RICE. Going back to the question about how long you lived at the address where you live now, you are refusing to answer on the ground that it will incriminate you, I take it? Is that your answer?

Mr. FUDEMAN. Yes.

Mr. RICE. Do you fear prosecution in connection with that question of a Federal violation or a State violation?

Mr. FUDEMAN. Did you ask me if I fear prosecution?

Mr. RICE. I take it you fear prosecution. That is why you are refusing to answer.

Mr. FUDEMAN. I do not understand what you mean.

Mr. RICE. You are afraid you will incriminate yourself by answering the question, aren't you?

Mr. FUDEMAN. That is correct.

Mr. RICE. Are you afraid you will incriminate yourself of a Federal or a State violation? Or both?

Mr. FUDEMAN. I would say both.

Mr. RICE. You have a real violation fixed in your mind, don't you? Something that you are doing or have done? Or are you just thinking of something?

Mr. FUDEMAN. Was that a question that I should answer?

Mr. RICE. Yes. Do you have something definite in mind?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. All right. This thing that you fear prosecution about, did that occur in the last 10 years or more than 10 years ago?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. Did it involve yourself and others, or just yourself?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. Do you have any information leading to organized crime in interstate commerce?

Mr. FUDEMAN. I did not hear the first part of it.

Mr. RICE. Do you have any information about organized crime in interstate commerce?

Mr. FUDEMAN. Do I have any information?

Mr. RICE. Do you know anything about criminality operating in interstate commerce?

Mr. FUDEMAN. I do not understand that.

The CHAIRMAN. Without reference to anything that you may have been engaged in or that you may have done, have you any knowledge of the activities of other people who have been using facilities of interstate commerce in furtherance of gambling activities?

Mr. FUDEMAN. I refuse to answer that question.

The CHAIRMAN. And he is directed to answer that, counsel, and it is understood that he refuses to answer still.

Mr. KOSSMAN. Yes.

Mr. RICE. Have you ever been arrested?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. Have you ever been arrested and convicted?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. Now, sir, you have been asked a question about whether you have ever been arrested and convicted. It is very difficult to understand how a conviction would incriminate you of another offense. Would you like to indicate any special circumstances which would give you the right to assert your privilege? In other words, if you had been convicted of a crime—

Mr. KOSSMAN. I think the witness understands.

Mr. FUDEMAN. Does it matter whether a crime constitutes a felony or a misdemeanor? It is still a crime.

Mr. RICE. Yes.

Mr. FUDEMAN. I was convicted.

Mr. RICE. What was that?

Mr. FUDEMAN. I forgot the technical violation, something to do with bootlegging.

Mr. RICE. How long ago was that?

Mr. FUDEMAN. I would say maybe 17 years ago.

Mr. RICE. And did you serve any time on that?

Mr. FUDEMAN. I did.

Mr. RICE. How much time did you serve?

Mr. FUDEMAN. Well—

Mr. RICE. Don't you remember how long you were in jail?

Mr. FUDEMAN. I was in jail approximately 10 months.

Mr. RICE. All right, sir, what business are you in now?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. I take it on the ground that it will incriminate you? Are you in the gambling business?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. There has been some testimony here today, Mr. Fudeman, that you had some negotiations with a Mr. Williams. Were you here when that happened? Did you hear the testimony?

Mr. FUDEMAN. I heard part of it. I could not make it all out.

Mr. RICE. We would like to have you tell us about your transactions with Mr. Williams in connection with the paying of a rent at his building there on Franklin.

Mr. FUDEMAN. I refuse to answer that.

Mr. RICE. Did you ever pay Mr. Williams any rent for an address on Franklin Street?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. Are you related to Abraham Minker?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. All right, sir. Are you related to Isadore Minker?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. I think I would ask the Chair to direct that the witness answer that question.

The CHAIRMAN. It is understood that you are directed to respond to each of those questions. Is it to be understood that you decline to answer on the same ground?

Mr. KOSSMAN. I beg the client to answer.

Mr. FUDEMAN. Will you repeat that question?

Mr. RICE. Are you related to Abraham Minker and Isadore Minker?

Mr. FUDEMAN. Yes, I am.

Mr. RICE. What relationship is there between you and the Minkers?

Mr. FUDEMAN. They are both my uncles.

Mr. RICE. So that you are the nephew?

Mr. FUDEMAN. That is right.

Mr. RICE. Do you have a brother?

Mr. FUDEMAN. I have several brothers.

Mr. RICE. Do you have one named Henry?

Mr. FUDEMAN. I do.

Mr. RICE. One named Louis?

Mr. FUDEMAN. That is correct.

The CHAIRMAN. Without reference to any activities of your own or any connection in gambling or other illegal activities, are either of the Minkers engaged in gambling operations?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. Do you know a Ben Moyer?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. Have you heard of the Moyer A. C., the Moyer Athletic Club?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. It would be a little difficult to understand how the Moyer Athletic Club or anything you would know about that would incriminate you. Would you like to explain any special circumstances about that?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. Do you know Joseph Liever?

Mr. FUDEMAN. Yes, I do.

Mr. RICE. And are you any relation to Joseph Liever?

Mr. FUDEMAN. I am not.

Mr. RICE. Have you had any business transactions with Joseph Liever?

Mr. FUDEMAN. I refuse to answer that question.

The CHAIRMAN. Again, I would like to ask you a similar question. Without reference to anything of your own or any activities on your own part, is he engaged in gambling or other illegal activities?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. Do you know Sam Liever?

Mr. FUDEMAN. I do.

Mr. RICE. Have you had any business transactions with Sam Liever?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. What business is Sam Liever in?

Mr. FUDEMAN. He is an attorney at law.

Mr. RICE. Have you ever given him any money?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. Have you ever given either Abraham or Isadore Minker any money?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. Do you know Lieutenant Hoffman of the police department?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. Have you ever given Lieutenant Hoffman, of the police department, any money?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. Do you know Chief Birney, of the police department?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. Have you ever given Chief Birney any money?

Mr. FUDEMAN. I refuse to answer that question.

The CHAIRMAN. Is the chief of police here today?

Mr. FUDEMAN. I heard some talk about his being here.

The CHAIRMAN. Wouldn't you recognize him?

Mr. FUDEMAN. I did not look around.

The CHAIRMAN. You didn't see him?

Mr. FUDEMAN. I didn't look around.

The CHAIRMAN. I didn't ask you that, I didn't ask you whether you looked around. He may be right in front of you.

Mr. FUDEMAN. I did not see him.

Mr. RICE. Would you know him if you saw him?

Mr. FUDEMAN. I may, or I may not.

Mr. RICE. You refuse to answer?

Mr. FUDEMAN. I saw his pictures in the papers.

Mr. RICE. You think you would recognize him if you saw him?

Mr. FUDEMAN. I might.

Mr. RICE. Have you ever talked with him?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. Have you had the telephones installed at 31 Poplar Street and 601 Franklin Street?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. As a matter of fact, aren't you the man who rented the wire service from the Metro Globe News in Hoboken for use at 601 Franklin and 31 Poplar Street?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. Have you ever transacted any business with Metro Globe News in Hoboken?

Mr. FUDEMAN. I refuse to answer that question.

Mr. RICE. Have you ever heard of Metro Globe News?

Mr. FUDEMAN. I refuse to answer that question.

The CHAIRMAN. That concludes the examination.

Mr. RICE. Abraham Minker.

The CHAIRMAN. In the presence of Almighty God, do you swear the testimony you give will be the truth, the whole truth, and nothing but the truth?

Mr. MINKER. I do.

**TESTIMONY OF ABRAHAM MINKER, READING, PA., ACCCOMPANIED
BY JACOB KOSSMAN, ATTORNEY, PHILADELPHIA, PA.**

The CHAIRMAN. Would you give us your full name, please.

Mr. MINKER. Abraham Minker.

The CHAIRMAN. And your address?

Mr. MINKER. 1711 Alsace Road, Reading, Pa.

The CHAIRMAN. Your counsel is?

Mr. MINKER. Mr. Kossman.

The CHAIRMAN. Mr. Kossman, you have indicated you wish to say something.

Mr. KOSSMAN. I would like to make a statement for the record.

I would like to call to the attention of the committee the fact that there is a special Federal grand jury that was convened at Philadelphia on September 14, 1950, to investigate various violations of the Federal criminal laws, and that the judge who impaneled that special grand jury to investigate rackets in the district—and Reading is included in the eastern district of Pennsylvania—explained to the jury that the Attorney General's office has come into that district to conduct an investigation that will run the gamut of all the various crimes covered by the Federal statutes:

The newspapers, the Philadelphia Inquirer, on September 14, 1950, stated as follows:

Justice Department opens rackets probe here. All forms of crime to be investigated by the United States grand jury. Goldschein's announcement came without warning—

I am quoting from a newspaper. That has been upheld—

The CHAIRMAN. Do not argue. Just read it.

Mr. KOSSMAN (continuing):

but his investigation has been in preparation for weeks. It will extend to rackets and all their ramifications, the Justice Department spokesman indicated. Even though there are no Federal laws regarding numbers, slot machine and other rackets, the probe will strike at such rings through the Federal revenue and conspiracy laws, he said.

On October 8, 1950, the following article appeared in the Philadelphia Inquirer:

Organized mobs identified by probers. The Federal grand jury investigating crime and racketeers, after a week end's respite, will delve into activities,

organized, and syndicated mobs, tomorrow, a Government spokesman said yesterday.

I also wish to inform the committee that a representative of the Federal grand jury has visited Reading in connection with this investigation, Drew O'Keefe, and perhaps others, and that the Federal grand jury is still in session under Max Goldschein, who is one of the most fearless and most sincere prosecutors.

The CHAIRMAN. You are not reading from the paper.

Mr. KOSSMAN. No. I am stating it as a fact.

The CHAIRMAN. You are not testifying, though, Counsel.

Mr. KOSSMAN. I am calling this to the attention of the committee and I will tell you why in just a moment. I appreciate the fact that you are allowing me to do this.

The attention of the committee is also called to the recent decisions of the United States Supreme Court, interpreting the fifth amendment, which declares, in part:

No person shall be compelled in any criminal case to be a witness against himself.

I wish to call the attention of the committee to the eighteenth recommendation of their own report that states as follows:

The Attorney General of the United States should be given authority to grant immunity from prosecution to witnesses whose testimony may be essential to an inquiry conducted by a grand jury or in the course of a trial or of a congressional investigation.

The fifth amendment to the Constitution provides that no person shall be compelled in any criminal case to be a witness against himself. The courts have construed that to mean that a person may remain silent if it appears that a criminal charge, however remote, may be made against him on account of any matters concerning which he is questioned.

I also wish to call the committee's attention to the fact that J. Howard McGrath in a recent statement before the Maryland State Bar Association stated his own proposal to adopt this course—referring to immunity to witnesses—is now under consideration by the Senate and House Judiciary Committees. He was approached because of recent court decisions upholding the rights of witnesses before Congress and Federal grand juries to refuse to testify on the ground that they may incriminate themselves.

I wish to call the attention of the committee, because they probably do not know this, that there appeared in the Reading Eagle on Sunday, June 10, 1951, a write-up about Abraham Minker in which they gave his entire criminal record. To save the time of the committee, I am going to give this to the reporter to have him transcribe the article dealing with the criminal probe in Reading.

The CHAIRMAN. We do not know, counsel, whether we will put the whole article in the record. You are welcome to have it marked for reference and for whatever usage you desire to make of it.

(The article referred to is on file with the special committee.)

Mr. KOSSMAN. I think it is extremely important.

Mr. RICE. We have not asked any questions yet.

Mr. KOSSMAN. If you allow me another moment or two, you may not want to ask any questions.

The CHAIRMAN. I think we will.

Mr. KOSSMAN. On June 13 the Reading Eagle had a headline: "Mrs. Abraham Minker subpoenaed in crime probe." Mrs. Minker is the wife of Abraham Minker.

(The article referred to is on file with the special committee.)

Mr. KOSSMAN. I would like to call attention of the committee to the article dated June 27, 1951, in the Reading Times referring to Minker as a person who is prominent in gambling and slot-machine operations.

(The article referred to is on file with the special committee.)

Mr. KOSSMAN. Why have I done all this? The reason why is this: A member of the Senate who represents the Senate on a Senate committee is bound under his oath to support the Constitution.

The CHAIRMAN. We do not think you need to tell us of our duty here.

Mr. KOSSMAN. The point is this: There has recently come down a decision by the United States Supreme Court, a most wonderful decision.

The CHAIRMAN. We are familiar with it.

Mr. KOSSMAN. *Hoffman v. United States.*

The CHAIRMAN. We do not think you need to go so far as to say what a Senator must do.

Mr. KOSSMAN. It wasn't impertinent. It was just a question, in view of the fact that Senator Wiley had stated the fact that we all have to obey the law whether we like it or not, in view of the fact that there have been many expressions by even the courts themselves that—I cannot put it any better than Justice Clark has put it:

If Congress should hereafter conclude that a full disclosure * * * by the witnesses is of greater importance than the possibility of punishing them for some crime in the past, it can, as in other cases, confer the power of unrestricted examination by providing complete immunity.

My point is this: When this committee started to operate it did not have the benefit of all these recent court decisions. I do not know how many in the District of Columbia. Despite the fact that I have the greatest admiration for Senator Kefauver, not only for his work on the Crime Commission, but his international outlook, it seemed to me Senator Kefauver went on dangerous grounds when he criticized the judgment of acquittal, I believe it was in the Russell case, reported in 87 Congressional Record 1191, 1192, on February 8, 1951. Here in June you have had the benefit of the United States Supreme Court decision in the Hoffman case, the Greenberg case, in which Justice Clark made the statement I just quoted. Of course, you are familiar with it.

Given a situation where a man is under investigation by the Internal Revenue, where there is a Federal grand jury, where the papers have exposed his background, under those circumstances why should a person be even called to be compelled to be a witness against himself?

I say that in the most respectful manner. It is simply done because we are a law-abiding nation, and it is because of the fact that we are a law-abiding nation that I believe, and I therefore request that, under the circumstances of this case, under the setting of this case, Mr. Abraham Minker should not be compelled to testify and should be discharged by this committee as a witness.

You have stated that the mere fact that a person is subpoenaed does not mean by itself that he is a criminal, but, when facts are presented to you, Senator, showing the nature of the fact, that he has a criminal

record, has served innumerable times in the penitentiary, is now under investigation, Federal grand jury investigation, to compel a person under those circumstances to come here and be a witness against himself is merely giving lip service to constitutional provisions without even following through. I have the greatest respect to you, Senator, and I do not only say it in this room here. I think the work that this committee has done in the last 2 days is the type of work that will redound to its everlasting glory. It was not done by compelling people to be witnesses against themselves.

That is the status of the situation. The reason I perhaps speak a little intensely about this is because I had a case there where I represented the defendants, *United States v. Greenberg*, where the question came up on his refusal to answer a question as to what business he used his telephone for. He was found guilty of contempt in the lower court. The court of appeals sustained that decision. The United States Supreme Court reversed it and sent it back for reconsideration on that particular point alone.

Under those circumstances, it would be a great waste of taxpayers' money. I mean that very sincerely. It would not only be a waste of taxpayers' money, but it takes the business away from other things, such as the work you did in the last few days, to call in people who are prospective defendants and to ask them to go through the ritual of refusing to answer questions which I say, in the first place, have no business to be asked by this committee as long as we are operating under the fifth amendment.

I appreciate your courtesy.

The CHAIRMAN. We have been interested in all you have said and have listened to it, but we cannot agree with you in your conclusions.

In the first place, this committee has a duty to perform by virtue of the assignment given it by the Senate through the resolution adopted charging this committee with the duty of investigating various facts and circumstances. We make it plain at the outset, as we attempted to do this morning, that the fact that an individual is called here does not indicate that he is being called as a criminal, nor does it indicate that he is being called as a defendant. He is being called because the committee has reason to believe that he has information which bears upon the subject matter of this inquiry.

Of course, it may also be observed that persons who have been accused in the newspapers, such as you indicate, may wish an opportunity publicly to explain or to have their side of the story told, and to present to the Senate, the Congress, facts which might be at variance with the charges which are made. This opportunity is being afforded to this witness to do that, if he desires to avail himself of it.

I merely mention the fact that he is here does not indicate that he is here for any improper purpose or for the purpose of making him a criminal or a defendant.

No question has as yet been asked, so it is impossible for counsel or anybody else to conclude as to whether a given question will, if answered, tend to incriminate him.

So it is necessary for us to see what question or questions will be asked of him before deciding or being able to judge whether the particular question will elicit from the witness any incriminating statements.

Mr. KOSSMAN. If that statement had been made in February instead of in June, I would not know what questions to anticipate, but, based on questions asked previous witnesses it is only fair to anticipate what they will be, and I thought perhaps we could save the time of the committee.

The CHAIRMAN. We will save time if we ask the question.

Mr. KOSSMAN. Keep in mind the fact that he is under investigation. Newspapers have set him up as a criminal.

Mr. RICE. Your name is Abraham Minker; is that right?

Mr. MINKER. Yes, sir.

Mr. RICE. Where do you live, Mr. Minker?

Mr. MINKER. Reading, Pa.

Mr. RICE. What is your street address?

Mr. MINKER. 1711 Alsace Road.

Mr. RICE. You are married?

Mr. MINKER. Yes, sir.

Mr. RICE. And you live at home with your wife?

Mr. MINKER. Yes, sir.

Mr. RICE. How old a man are you?

Mr. MINKER. Fifty-two.

Mr. RICE. Where were you born?

Mr. MINKER. Russia.

Mr. RICE. In Russia?

Mr. MINKER. Yes, sir.

Mr. RICE. What was the name that you were born under?

Mr. MINKER. Abraham Minker.

Mr. RICE. How do you spell that?

Mr. MINKER. A-b-r-a-h-a-m M-i-n-k-e-r.

Mr. RICE. What is your father's name?

Mr. MINKER. Minker.

Mr. RICE. Minker or Menker?

Mr. MINKER. Minker.

Mr. RICE. M-e-n-k-e-r?

Mr. MINKER. M-i-n-k-e-r.

Mr. RICE. The same name?

Mr. MINKER. The same name.

Mr. RICE. When did you come to this country?

Mr. MINKER. 1905.

Mr. RICE. 1905?

Mr. MINKER. Roughly.

Mr. RICE. Are you a citizen?

Mr. MINKER. Yes, sir.

Mr. RICE. When did you become naturalized?

Mr. MINKER. In 1945.

Mr. RICE. Forty-five?

Mr. MINKER. Forty-five or forty-four. It was one of those years.

The CHAIRMAN. In the last 6 or 7 years?

Mr. MINKER. Yes, sir.

Mr. RICE. Did you ever use the name Clark?

Mr. MINKER. I refuse to answer that question. It might incriminate me.

Mr. RICE. Are you under indictment at the present time?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. Do you know whether you are under indictment?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. Do you know what an indictment is?

Mr. MINKER. I know what an indictment is.

Mr. RICE. You refuse to answer whether or not you are under indictment?

Mr. MINKER. I refuse to answer.

Mr. RICE. In refusing to answer whether or not you are under indictment, do you feel that is because it may incriminate you? Is that the idea?

Mr. KOSSMAN. Indictments are handed down secretly by Federal grand juries and for that reason, it can be seen why he says he might not know whether or not he is under indictment.

The CHAIRMAN. We are only asking him so far as he knows.

Mr. MINKER. The agent told Mr. Kossman that I need a lawyer. He told me to get a lawyer.

Mr. RICE. Let's get it clear to see if he knows whether or not he is under indictment. Do you know whether you are under indictment?

Mr. MINKER. I do not know for sure.

Mr. RICE. You do not know for sure?

Mr. MINKER. I do not know for sure.

Mr. RICE. You do feel you are under investigation?

Mr. MINKER. That I do know.

Mr. RICE. But you have not been advised that you are under indictment, have you?

Mr. MINKER. The agent out of Philadelphia, out of the Philadelphia office, told me to get a lawyer, and I talked to him. Here it is in his own handwriting.

Mr. RICE. You have not been arraigned on any charge?

Mr. MINKER. Not yet.

Mr. RICE. You have not been advised you are under indictment, have you?

Mr. MINKER. I was advised to get a lawyer.

Mr. RICE. But you have not been advised that you are under indictment?

Mr. KOSSMAN. When he says he was advised, he was advised by the Internal Revenue.

The CHAIRMAN. Let him say.

Mr. MINKER. He is an agent. Here is marked down his name. I don't remember his name.

Mr. RICE. You are advised that you are under investigation for internal revenue matters; is that the idea?

Mr. MINKER. Income tax.

Mr. RICE. So the question was whether you had ever used the name Clark. Have you ever used the name Clark?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. In citing your refusal, do you insist that might incriminate you of an internal revenue matter by having used the name Clark?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. Do you have another offense in mind?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. In connection with using the name Clark, do you fear prosecution for a State or Federal offense?

Mr. MINKER. I refuse to answer that question.

The CHAIRMAN. I would like to say this, Counsel, so as to avoid unnecessary repetition: Could it be understood that the Chair instructs the witness to answer all of the preceding questions and the others that are about to be propounded to the witness and that the witness, if he so elects, will refuse to answer them on the ground that the answer will tend to incriminate him?

Mr. KOSSMAN. We can save a great deal of time by saying that we are not talking about a State offense in this matter.

The CHAIRMAN. Let the witness say.

Mr. MINKER. On the ground that it may incriminate me of a Federal offense.

The CHAIRMAN. What Federal offense?

Mr. MINKER. I do not know of any. I do not know what it might be.

Mr. RICE. Do you have a particular offense in mind?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. All right, sir.

The prosecution which you fear in connection with the name Clark, is that for an offense that occurred within the past 10 years?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. Back in 1939 you took a pauper's oath, did you not?

Mr. MINKER. Yes, sir.

Mr. RICE. And at that time you said that you had no money to pay a fine?

Mr. MINKER. Yes, sir.

Mr. RICE. And where did you take that oath?

Mr. MINKER. Lewisburg.

Mr. RICE. Lewisburg?

Mr. MINKER. Yes, sir.

Mr. RICE. What business are you in?

Mr. MINKER. I have a Food Fair market, retail market.

Mr. RICE. Food Fair?

Mr. MINKER. Super market, selling retail.

Mr. RICE. That is the Minker Bros. Produce Co.?

Mr. MINKER. That is the White House Market.

Mr. RICE. What other business do you have?

Mr. MINKER. I am manager of the Brighton Realty Co.

Mr. RICE. Brighton Realty Co.?

Mr. MINKER. I am manager.

Mr. RICE. Where is the office of the Brighton Realty Co.?

Mr. MINKER. 335 North Eighth Street.

Mr. RICE. How many people are employed by the Brighton Realty Co.?

Mr. MINKER. There is nobody employed.

Mr. RICE. Do you have any salesmen?

Mr. MINKER. No, sir.

Mr. RICE. What do you have for staff of the Brighton Realty Co.?

Mr. MINKER. I am just a manager.

Mr. RICE. You are just the manager? You are it; the whole company?

Mr. MINKER. I refuse to answer it.

Mr. KOSSMAN. I do not know what the purpose of the examiner is. I know he is very skillful. He cannot put a categorical statement that he said and form it into a question.

Mr. RICE. The witness answered the question as to who the employees of the Brighton Realty Co. were other than himself. That is what we are talking about.

Mr. KOSSMAN. And you are it?

Mr. RICE. That is the conclusion.

Mr. KOSSMAN. There is a difference between it and a corporation.

Mr. RICE. Who are the employees of the Brighton Realty Co.?

Mr. MINKER. I am the manager. There is nobody else as far as employees.

Mr. RICE. What business does the Brighton Realty Co. do?

Mr. MINKER. Real-estate mortgages.

Mr. RICE. What real estate has been bought and sold by the Brighton Realty?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. You say it handles mortgages?

Mr. MINKER. Real-estate mortgages.

Mr. RICE. What mortgages have been handled by the Brighton Realty Co.?

Mr. MINKER. I refuse to answer that question.

Mr. KOSSMAN. I might also say it seems to me that there are certain questions that are pertinent to the inquiry and there are certain questions which are not. Certainly, when you are investigating interstate commerce and the furthering of any transactions which involve a crime against the United States, dealing in mortgages seems to be the most local of all propositions.

The CHAIRMAN. Except, of course, there may be a connection between an interstate transaction financed in that manner.

Mr. KOSSMAN. But in the absence of any proof thereof.

Mr. RICE. You heard this afternoon there were mortgages to police officials. I should certainly think that would be within the Senate resolution.

Mr. KOSSMAN. Mortgages to police officials were not made by the realty company.

Mr. RICE. Have you lent any money to any police officials?

Mr. MINKER. No, sir.

Mr. RICE. Do you hold any mortgages of police officials?

Mr. MINKER. No, sir.

Mr. RICE. Directly or indirectly?

Mr. MINKER. No, sir.

Mr. RICE. Do you know Lieutenant Hoffman?

Mr. MINKER. Yes, sir.

Mr. RICE. Have you lent him money?

Mr. MINKER. No, sir.

Mr. RICE. Have you lent Chief Birney money?

Mr. MINKER. No, sir.

Mr. RICE. Do you know Alex Fudeman?

Mr. MINKER. Yes, sir.

Mr. RICE. Have you had any transactions with Fudeman?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. Did you ever receive any money from Alex Fudeman?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. Do you know Frank Costello?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. Frank Costello, of New York, who has appeared as a witness before this committee. Do you know Frank Costello?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. I want to make sure he knows what Frank Costello we are talking about, known as the "crown prince of the underworld."

Mr. MINKER. I refuse to answer that question.

Mr. RICE. Have you ever met with Frank Costello at the Colonial Hotel in Reading?

Mr. MINKER. No, sir.

Mr. RICE. Have you ever met with Costello anywhere?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. Have you met with Costello at Hot Springs?

Mr. MINKER. No, sir.

Mr. RICE. Have you ever been to Hot Springs?

Mr. MINKER. Yes, sir.

Mr. RICE. Did you meet Owney Madden in Hot Springs?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. Do you know Owney Madden?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. Do you know Nig Rosen?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. Herman Stromberg?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. Of Philadelphia?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. Have you met Nig Rosen at Hot Springs?

Mr. MINKER. I refuse to answer.

Mr. RICE. Do you know Capy Hoffman from Philadelphia?

Mr. MINKER. No, sir.

Mr. RICE. Do you know Willie Weisberg?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. Have you ever met Willie Weisberg at Hot Springs?

Mr. MINKER. I refuse to answer.

Mr. RICE. Have you ever received a telephone call from Willie Weisberg?

Mr. MINKER. I refuse to answer.

Mr. RICE. Do you know Mugsy Taylor?

Mr. MINKER. I refuse to answer.

Mr. RICE. Have you ever received a telephone call from Mugsy Taylor?

Mr. MINKER. I refuse to answer.

Mr. RICE. Do you have any interest in the Reading Clothing Co.?

Mr. MINKER. No, sir.

Mr. RICE. Have you ever had any interest in the Reading Clothing Co.?

Mr. MINKER. No, sir.

Mr. RICE. Have you ever had any interest in the Pure Spring Brewery?

Mr. MINKER. I refuse to answer.

Mr. RICE. Pure Spring Brewery at Ashland, Pa.?

Mr. MINKER. I refuse to answer.

Mr. RICE. Do you know Henry Fudeman?

Mr. MINKER. Yes, sir.

Mr. RICE. Who is Henry Fudeman?

Mr. MINKER. A nephew.

Mr. RICE. Have you ever had any transactions with Henry Fudeman?

Mr. MINKER. I refuse to answer.

Mr. RICE. Have you ever been arrested?

Mr. MINKER. Well, the papers will tell you that.

Mr. RICE. Yes. Let's have you tell us about it. Have you ever been arrested?

Mr. KOSSMAN. I would like to state that I do not think it is pertinent to the inquiry whether he has been arrested or not, especially when they have the information.

The CHAIRMAN. Counsel, you have put in the record your statement, which gives the information.

Mr. KOSSMAN. I have no objection to it.

Mr. MINKER. I was.

Mr. RICE. How many times have you been arrested, approximately?

Mr. MINKER. I would say three or four times.

Mr. RICE. Did you ever serve any time?

Mr. MINKER. Yes, sir.

Mr. RICE. How many times have you been in jail serving time?

Mr. MINKER. Twice.

Mr. RICE. In 1940?

Mr. MINKER. I got a pardon the first time.

Mr. RICE. You got a pardon the first time?

Mr. MINKER. Yes.

Mr. RICE. What happened the second time?

Mr. MINKER. I served time.

Mr. RICE. After that you had another rap over you for which you took the pauper's oath?

Mr. MINKER. Yes, that was on the whisky.

Mr. RICE. Is Henry Fudeman any relation of yours?

Mr. MINKER. Nephew.

Mr. RICE. He is a nephew?

Mr. MINKER. Yes, sir.

Mr. RICE. In 1940 you and Fudeman were arrested in New York; is that right?

Mr. MINKER. I refuse to answer.

Mr. RICE. On what grounds?

Mr. KOSSMAN. It is assumed that the ground is that it may tend to incriminate him.

Mr. RICE. Let's see what grounds he has.

The CHAIRMAN. It is also assumed that the Chair directs him to answer.

Mr. MINKER. It may incriminate me.

Mr. KOSSMAN. I take it for granted that, when he says he refuses to answer, it is on the ground that it tends to incriminate him.

Mr. RICE. It is difficult for me to understand what will incriminate him if he answers this question about this particular arrest which I have asked him about.

In 1940, did you have a bond of \$5,000 which came from Northwest-ern Trust Co. in Minneapolis?

Mr. MINKER. It was ruled out and I refuse to answer.

Mr. RICE. It was ruled out and you refuse to answer?

Mr. MINKER. The Federal court ruled it out, and I refuse to answer. Judge Welch ruled it out. It was an illegal transaction. I was cleared.

The CHAIRMAN. That will conclude the examination of this witness. We have just been advised from the floor that the Senate is taking a vote, so we will have to declare a recess for about 20 minutes.

(Recess.)

The CHAIRMAN. The hearing will please come to order.

By way of explanation, it may be stated that the Senate has been voting after a series of amendments had been acted upon, which explains why the Senators have been required to be away from the hearing for these periods.

I should also like to offer and place it in the record, a statement by the presiding judge of the Baltimore Criminal Court, Judge Joseph Sherbow, today in connection with the witness who testified here yesterday in our session in connection with a police sergeant of the Baltimore Police Department.

The judge at Baltimore took cognizance of the testimony here and had before him the assistant State's attorney, the Federal narcotic agent in Baltimore, Mr. Boyd Martin, and also made statements himself, the net result of which is to place the court squarely on record as disagreeing with the statement made by the witness yesterday, and the court holding that there is no foundation for the assertion that there was any dereliction of duty on the part of the sergeant, because, as the judge states—and I quote from his words—he has the utmost confidence in the integrity and high ability and character of Sergeant Carroll.

This entire statement will therefore be included in the record and be available to the press and anybody else who desires.

(The statement referred to is as follows:)

The COURT (orally). Yesterday at the congressional hearing a statement was made by a witness who had been incarcerated on a narcotics charge, dealing generally or saying generally—I don't have the exact language—that the narcotics squad in Baltimore and Sergeant Carroll had tipped off raids or allowed certain people to operate, or some such language as that. I only read the report in the newspaper hurriedly, I haven't had much time to do more than that.

Before the court makes any statement, I would like Mr. Orth to make a public statement with respect to the facts of that particular case, and then I want to hear from Mr. Martin of the Federal narcotics squad.

Mr. Orth, was the man's name mentioned in the newspaper?

MR. ORTH. Yes, Your Honor.

The COURT. What does your file, the file of the State's attorney's office, show with respect to that defendant?

MR. ORTH. The defendant, Charles Williams, your Honor, was indicted in two indictments, 6378 and 6379, in 1950, charging him with violation of the narcotic laws and operating a disorderly house. The facts of those two cases are these: On December 27, 1950, Sgt. Joseph Carroll and Officers Maniewski and Simonsen approached the premises known as 617 Pierce Street. They had had these premises under observation and received certain information concerning them. At that point they sent in an informer with marked money, and instructed him to enter the premises to see the defendant Charles Williams. He entered the House. Officer Maniewski was stationed in the rear of the house and saw Charles Williams, the defendant, go to the rear of his yard, and move an object and take something that was hidden there and went back into the house. In the meantime Sergeant Carroll and Officer Simonsen entered the front of the house after they had received a capsule of heroin from the informer that they had sent into the house. A search of the yard revealed a case which contained narcotic paraphernalia in the place in which they had seen William go, that is, a hypodermic syringe, two needles, and six capsules of heroin.

They remained at the premises for several hours and during that time seven known drug addicts came in to purchase drugs.

On the following day they came back to the house and remained several hours, and during that time 50 additional addicts came to the house to purchase drugs. Some of these, approximately six of these addicts testified at the trial in the criminal court that they had purchased drugs from the defendant Charles Williams. In the house on December 27, the day the raid was made, Charles Williams said that he would get even with the police, and immediately after his arrest, or a short time after his conviction, he sent letters to the Federal Bureau of Narcotics charging that he had been framed. That matter was thoroughly investigated by the Federal Bureau of Narcotics and found to be completely without foundation in fact of any kin ..

At the time of his arrest he was also under probation for a conviction in February of 1950 for which he was charged with receiving stolen goods and larceny. He was convicted by Judge Manley and given 18 months in the house of correction, which sentence was suspended and he was placed on probation for 2 years. The officers in that case also were Officers Carroll, Simonsen, and Maniewski, and the defendant Williams made statements to those officers on his subsequent arrest for the violation of the narcotics laws that he was incensed concerning his probation violation, and that he would get even with these officers, and particularly Sergeant Carroll. That probation was stricken out by the presiding judge at the trial and the sentence of the narcotic conviction, and he was sentenced to 2 years in the house of correction for violation of the narcotics laws, to run consecutively with the balance of the sentence that was given for which he was given probation.

During the time that the State's attorney's office has had close contact with Sergeant Carroll in the investigation of narcotics conditions in Baltimore City, the State's attorney's office, and it is my personal opinion that Sergeant Carroll has done an outstanding job. He and his officers are not only energetic policemen, they know fully the facts and circumstances concerning narcotic violations. They are not only energetic, they have imagination in the conduct of their investigations, and I have found them truthful, honest, and sincere in their efforts in every respect.

The COURT. Where is Sergeant Carroll now?

Mr. ORTH. Sergeant Carroll is on vacation now.

The COURT. Mr. Orth, that case was tried before Judge Warnken. That was before all narcotic cases were put in part I; is that right?

Mr. ORTH. That is correct.

The COURT. Judge Warnken sentenced him to 2½ years?

Mr. ORTH. To 2 years on the narcotics and 6 months on the disorderly house, to run concurrently with the 2 years of the narcotics but consecutively with the 18 months for which he had been given probation in the larceny case.

The COURT. Thank you.

Is Mr. Boyd Martin here? Will you take the stand?

Thereupon—

BOYD M. MARTIN

The COURT. Mr. Martin, what is your official position?

Mr. MARTIN. District supervisor, Bureau of Narcotics, for district 5, which embraces the States of Maryland, Virginia, West Virginia, North Carolina, and the District of Columbia.

The COURT. How many men do you have in your department?

Mr. MARTIN. In this district I only have 11 men, 1 man for each million population.

The COURT. That means for all the States and the District of Columbia, that you have enumerated, you have 11 men only?

Mr. MARTIN. That is correct. I only have three men in the city of Baltimore. There has been considerable publicity, in my judgment, one-sided.

The COURT. Mr. Martin, I am interested in the item that appeared this morning. Because Sergeant Carroll is not here, I want to ask you a few questions.

What has been the kind of cooperation between your Federal department and the Police Department of Baltimore City in dealing with narcotics?

Mr. MARTIN. In my 36 years' experience, assigned in Baltimore, dealing with narcotic drugs, the cooperation that I have received from the police department has been excellent. There has never, to my knowledge, been the slightest friction between any members of the police department. The creation of the narcotic

squad, for which I must say Mr. Sodaro played a great part, also the mayor in appearing before the board of estimates in order to provide the funds that a successful police narcotic squad could operate with, and the improvement in enforcement of the narcotic laws in Baltimore in the year 1951 has been greater than in 30 years prior to 1951.

The COURT. Now, Mr. Martin, what is your own view with respect to Sergeant Carroll and his squad?

Mr. MARTIN. I have the utmost confidence in Sergeant Carroll, Maniewski, and Simonsen. I have worked with them, and this matter that has arisen will not affect my confidence or failure to continue working with the narcotic squad, and I want to say the dope peddlers in Baltimore are on the run, the picnic is over with them, and you can disregard inflammatory testimony such as Williams'. I know Williams. Williams is a notorious dope peddler. He was doing a tremendous business. He was grossing about \$1,000 a week. He wrote to my office and complained about Carroll and his squad. I investigated that matter and it was absolutely false, his claims, no truth in fact at all was involved. He could furnish no evidence that would have any value, and he did like all dope peddlers do, they go one step too far. He stated that Carroll and his men had framed a man by the name of Acion, otherwise known as Crip.

He was told, if his men framed Acion the Federal Bureau was a party to that framing, because we worked on that case and we know what happened. Acion, of course, is in the penitentiary, like Williams, and all other dope peddlers are either in there or on their way, with the present set-up in Baltimore City.

The COURT. Anything else you want to add?

Mr. MARTIN. No.

The COURT. I want to make this very brief statement. I feel that every policeman is in a vulnerable position every time he makes an arrest which is followed by a conviction. The easiest thing for the criminal to holler is "frame-up," and try to turn on the officers. Unfortunately, the officers are in a position where the most they can do is deny it, and yet no one comes to their defense in order publicly to clear them.

Sergeant Carroll is away. I don't know Sergeant Carroll except from his appearance in this court. I don't know Officer Maniewski or Officer Simonsen except from their appearance in this court.

I want to say publicly I don't believe a single word of what this inmate of the House of Correction, or whatever prison he is in, has testified to. I have the utmost confidence in the integrity of Sergeant Carroll, Officer Maniewski and Officer Simonsen, and the others who have appeared in this court. They have been working not on any 8-hour shift but around the clock. They have come into this court fully prepared with their cases. They have not exaggerated nor have they added on, nor have they shown a desire solely to obtain convictions, but on the contrary in instances have asked the court not to send a particular person to prison because they felt they could be rehabilitated. In some instances they have asked the court to take particular action along certain lines because the individuals could be useful in tracking down the peddler who, after all, is the one who must be put behind the bars if the dope traffic is to be stamped out. The user is an unfortunate, sick person. The dope peddler, the source of supply, is the real menace.

I want to repeat that I have the utmost confidence in the integrity and the high ability and character of Sergeant Carroll, Officer Maniewski, and Officer Simonsen. By singling them out does not mean I have any reflections on anybody else. It just so happens that somebody threw some tar at them, and this court just could not allow it to go unchallenged. That is all.

The CHAIRMAN. Mr. Rice, call the next witness, please.

Mr. RICE. Isadore Minker.

The CHAIRMAN. Will you raise your right hand, please?

In the presence of Almighty God, do you swear that the testimony you give will be the truth, the whole truth and nothing but the truth?

Mr. MINKER. I do.

Mr. KOSSMAN. Just for the record, without repeating what I said on behalf of the first Minker, practically everything applies to him—the papers, the investigation of the Internal Revenue.

The CHAIRMAN. Counsel, are we to understand that the witness intends to refuse to answer any questions?

Mr. KOSSMAN. I wouldn't say that. I wanted to give the court the setting in which he sits down, because there is a certain amount of respect and courtesy due to the committee.

The CHAIRMAN. I just wanted to expedite matters.

Counsel, will you proceed.

**TESTIMONY OF ISADORE MINKER, READING, PA., ACCCOMPANIED
BY JACOB KOSSMAN, ATTORNEY, PHILADELPHIA, PA.**

Mr. RICE. Where do you live, Mr. Minker?

The CHAIRMAN. Have you given your full name?

Mr. MINKER. Isadore Minker.

The CHAIRMAN. And your residence?

Mr. MINKER. 1800 Oliver Street, Reading, Pa.

The CHAIRMAN. Mr. Rice, will you proceed.

Mr. RICE. How long have you been living there, Mr. Minker?

Mr. MINKER. I imagine about 10 years.

Mr. RICE. You are a married man?

Mr. MINKER. Yes, sir.

Mr. RICE. And where were you born?

Mr. MINKER. Reading, Pa.

Mr. RICE. You were born in Reading?

Mr. MINKER. Yes, sir.

Mr. RICE. Your brother said he was born in Russia, but you were born in Reading?

Mr. MINKER. Yes, sir.

Mr. RICE. Have you ever used any names other than Minker?

Mr. MINKER. With all due respect for the committee, I stand upon my constitutional rights. I am being examined by the Internal Revenue and I refuse to answer any questions that may incriminate me—this question or any question you are going to ask me. I do not mean to be fresh.

Mr. KOSSMAN. Maybe you can answer some questions.

Mr. RICE. Are you under indictment?

Mr. MINKER. That I cannot answer, sir.

Mr. RICE. To your knowledge, are you under indictment?

Mr. MINKER. I refuse to answer any questions you are going to ask me.

The CHAIRMAN. Are we to understand, regardless of the nature of the question?

Mr. MINKER. Any question you ask me.

The CHAIRMAN. You are going to refuse to answer?

Mr. MINKER. Yes.

The CHAIRMAN. We want to get your position clear.

Mr. MINKER. Different things involve my brothers. I have brothers that have families being examined by Internal Revenue, and all. I just feel that way, that you are going to ask one question to another question.

Mr. KOSSMAN. Wait until they ask you questions.

The CHAIRMAN. It is our purpose to ask you certain questions regarding other people than yourself, regarding activities other than those in which you have participated yourself.

Mr. MINKER. I am going to refuse to answer any questions you ask me.

Mr. RICE. Have you ever been known by the name of Davis, D-a-v-i-s?

Mr. MINKER. I refuse to answer. I do not want to be incriminated.

The CHAIRMAN. So we can have a clear understanding, the Chair directs that you answer each of these questions and it is understood, if agreeable to you and your counsel, that your answer, which is based on your contention that they might tend to incriminate you, will be considered, Counsel, as applicable to each question without the necessity of repeating it.

Mr. KOSSMAN. Yes.

Mr. RICE. Have you ever used the name of Levine?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Are you in any legitimate business?

Mr. MINKER. I refuse to answer.

Mr. RICE. Did you understand the question?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. I asked you if you were in any legitimate business.

Mr. MINKER. I refuse to answer. It may incriminate me. I am not going to answer any questions. I am talking English.

Mr. RICE. I understand that. I asked you whether there was any legitimate business.

Mr. MINKER. Because you are going to ask me about my brothers and my family and all.

Mr. KOSSMAN. I would answer a question like that.

Mr. MINKER. I refuse to answer.

Mr. RICE. Do you know Alex Fudeman?

Mr. MINKER. I refuse to answer because it may incriminate me.

Mr. RICE. Have you had any financial transactions with Alex Fudeman?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. How old are you?

Mr. MINKER. I refuse to answer. It may incriminate me. I do not want to lead on to another answer. Everybody is back there laughing.

The CHAIRMAN. The hearing will please be in order and everything will be conducted in a dignified manner.

Mr. RICE. How much education do you have, Mr. Minker?

Mr. MINKER. Not much.

Mr. RICE. How much?

Mr. MINKER. I refuse to answer that question.

Mr. RICE. On the same ground?

Mr. KOSSMAN. If the court please, I hope some day it may be the court. I do not think it is pertinent.

Mr. RICE. It may be in connection with possible contempt.

Mr. MINKER. Just entered seventh grade.

Mr. RICE. You read and write?

Mr. MINKER. I do not know how good.

Mr. RICE. You finished seventh grade?

Mr. MINKER. I entered seventh grade.

Mr. RICE. You entered the seventh grade?

Mr. MINKER. Yes.

Mr. RICE. Do you own any stock in Western Union?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Do you know Frank Costello?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Do you know John Matts?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Have you ever been arrested?

Mr. MINKER. Yes, sir.

Mr. RICE. What was that for?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Have you ever been arrested and served time?

Mr. MINKER. Yes, sir.

Mr. RICE. What was that for?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Have you been arrested and have you served time for an offense which occurred more than 10 years ago?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. KOSSMAN. I object to this series of questions on the ground it is not pertinent to the inquiry and the information is in the possession of the committee's file.

Mr. RICE. Do you have information about what is in the committee's file, sir?

Mr. KOSSMAN. I would assume that the matter of arrests—

Mr. RICE. Let's not assume.

The CHAIRMAN. Next question.

Mr. RICE. Are you connected with I. M. Enterprises?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Do you know John E. Holliday?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. I am referring to the city controller in Reading.

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Do you know John Holliday?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Have you lent any money to John E. Holliday?

Mr. MINKER. I refuse to answer that. It may incriminate me.

Mr. RICE. Have you lent any money to any city officials?

Mr. MINKER. I refuse to answer that. It may incriminate me.

Mr. RICE. Do you know Lieutenant Hoffman?

Mr. MINKER. I refuse to answer that. It may incriminate me.

Mr. RICE. Have you lent any money to Lieutenant Hoffman?

Mr. MINKER. I refuse to answer that. It may incriminate me.

Mr. RICE. Do you know Chief Birney?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Have you lent money to Chief Birney?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. I have a record in which you indicate that you devote your entire time to the business of Minker Bros. Wholesale Fruit & Produce Co., produce business; is that right?

Mr. MINKER. I refuse to answer that. It may incriminate me.

Mr. RICE. That for the year 1946 you received as compensation from that company \$3,975; is that right?

Mr. MINKER. I refuse to answer that. It may incriminate me.

Mr. RICE. That in the same year you had miscellaneous income in the amount of \$55,000.

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. What is the nature of that miscellaneous income?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. In another year you indicate you had \$71,000 in miscellaneous income.

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. What is the source of your income?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Do you know Owney Madden?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Have you ever been to Hot Springs, Ark.?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Do you know Nig Rosen?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Have you ever received a telephone call from a Willie Weisberg?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Do you know Willie Weisberg?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Do you know Cappy Hoffman?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Do you know Greenberg?

Mr. MINKER. I refuse to answer. It may incriminate me.

Do I have to repeat that each time?

The CHAIRMAN. It is understood in connection with each of your refusals that it is based on the contention that your answer may incriminate you. You may not repeat it each time. You do understand that you are directed to answer each of these questions?

I would like to ask you one question in regard to Frank Costello. Apart from any connection that you may have had with the matter, do you know of any telephone communications between Frank Costello and a party or parties in Reading about slots, about Costello having an interest or prospective interest in certain operations in Reading?

Mr. MINKER. I could honestly answer it, but I am going to stick to my same answer. I refuse to answer that question.

Mr. RICE. Do you have an interest in a slot machine business in Reading?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Do you have an interest in a punchboard business in Reading?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. In refusing to answer about the punchboards, are you in fear of prosecution of a Federal or a State offense?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Do you have any interest in the Reading Clothing Corp.?

Mr. MINKER. I refuse to answer. It may incriminate me.

Mr. RICE. Do you own any stock in the Brunswick-Balke Co.?

Mr. MINKER. I refuse to answer.

Mr. RICE. Have you transacted any business with the Metro Globe Wire Service Distributors in Hoboken?

Mr. MINKER. I refuse to answer.

Mr. RICE. Do you have any interest in the operations at 601 Franklin Street?

Mr. MINKER. I refuse to answer.

Mr. RICE. Do you have an interest in the operations at 31 Poplar Street?

Mr. MINKER. I refuse to answer.

Mr. RICE. Do you know what operation I am talking about? Do you know what I am talking about?

Mr. MINKER. I refuse to answer.

Mr. RICE. You refuse to answer whether you know what I am talking about; is that it?

(No response.)

Mr. RICE. Do you have an interest in the Brighton Realty Co.?

Mr. MINKER. I refuse to answer.

Mr. RICE. Are you an officer of the Brighton Realty Co.?

Mr. MINKER. I refuse to answer.

Mr. RICE. Do you have any stock in Jones & Laughlin Steel Co.?

Mr. MINKER. I refuse to answer.

Mr. RICE. Do you have an interest in Thrifty Drug Store?

Mr. MINKER. I refuse to answer.

Mr. RICE. Do you have any interest in Crane Co.?

Mr. MINKER. I refuse to answer.

Mr. RICE. Do you have any interest in the Illinois Central Railroad?

Mr. MINKER. I refuse to answer.

Mr. RICE. Do you have any interest in the Chicago, Milwaukee & St. Paul?

Mr. MINKER. I refuse to answer.

Mr. RICE. Do you have any stock in Kaiser-Frazer?

Mr. MINKER. I refuse to answer.

Mr. RICE. Do you have any stock in Bell Aircraft?

Mr. MINKER. I refuse to answer.

Mr. RICE. Have you ever made a trip to Europe?

Mr. MINKER. I refuse to answer.

Mr. RICE. Do you know Ann Brenner?

Mr. MINKER. I refuse to answer.

The CHAIRMAN. That will conclude the examination.

Mr. RICE. Mr. Birney.

The CHAIRMAN. In the presence of Almighty God, do you swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth?

Mr. BIRNEY. I do.

The CHAIRMAN. You may proceed.

Mr. HOFFMAN. My name is Bernard Hoffman. I am a member of the Reading bar. I have been requested by Chief Birney to act as his counsel.

The CHAIRMAN. We will be glad to have you, and please feel free to not only have the individual consult with you, but anything you wish to say, we will be glad to hear you.

What is your full name?

TESTIMONY OF WILLIAM P. BIRNEY, CHIEF OF POLICE, READING, PA., ACCOMPANIED BY BERNARD HOFFMAN, ATTORNEY, READING, PA.

Mr. BIRNEY. William P. Birney.

The CHAIRMAN. And, Mr. Birney, your position is what?

Mr. BIRNEY. Chief of police in the city of Reading.

The CHAIRMAN. And for what period of time have you been chief of police?

Mr. BIRNEY. Seven and a half years.

The CHAIRMAN. Before any questions are asked, Mr. Birney, and in order to have a foundation for certain questions, I desire to read a memorandum or report from our investigators who were in Reading and which is dated June 2, 1951, all of which will be filed in the record, so it will be available to counsel and yourself. It is under the heading of: "Subject: Wire Service in Horse Book Parlors, Reading, Pa."

In the course of our investigations made with reference to gambling, we found two horse-book parlors, one located at 801 Franklin Street, and one at 31 Poplar Street, where there were loud-speakers and boards which were furnishing racing information from five tracks.

Information from the Western Union Telegraph Co. was that two ticker tape machines, furnishing sporting news, were located at these places. It was noted that there were three betting windows and paying teller's window in each of these places, and at the time we visited 601 Franklin Street, Investigator Bucher placed three bets on horses at three different tracks, which he did not win.

It appears that the person in charge of these parlors is Alec Fudeman, who from all information is a nephew of the Minkers.

While making a survey of the various amusement and novelty companies, we called on the Victory Novelty Co., located at 530 Franklin Street, where we interviewed Alec Fudeman. He stated that there was not a company operating as the Victory Amusement Co., but that he had used that name in order to get a telephone, since it was impossible to get a phone for personal use only. He was questioned regarding the operation of slot machines and he stated that he did not operate any machines but did do some repair work on them. General questions were asked about his business and he stated that he did not care to discuss his business operations without first consulting his attorney. He stated that he would be very glad at any time to have an interview with us and that he could be reached at the 530 Franklin Street address at any time we desired to question him.

On leaving this address, we proceeded to 601 Franklin Street to determine whether or not the horse-book parlor was still in operation. Mr. Bucher went to the paying teller's window and asked who was in charge of the place, stating that he wished to talk to him. At this time, he was informed that if he would wait in the restaurant on the corner above, a man would be there in 10 minutes to talk with him. We waited a short time and Alec Fudeman, whom we had interviewed a short time before, appeared and said that he was in charge of the operations of both the horse parlors at 31 Poplar Street and 601 Franklin Street, but that he did not care to discuss his business any further without the advice of counsel.

Now, my question is: Does that report correspond to your understanding of affairs in Reading?

Mr. BIRNEY. From the rumors to the effect that there were horse-room establishments, I would say yes.

The CHAIRMAN. You being the chief enforcement officer in the police department I assume could best tell us whether you think this is based on accurate information or otherwise.

Mr. BIRNEY. I have it on rumor only. No investigation was ever made.

The CHAIRMAN. Will you just include that in the record?

(The memorandum dated June 2, 1951, previously read by the chairman, is on file with the special committee.)

The CHAIRMAN. Now, Chief, when you say you have it on rumor, are we to understand that rumors reached you?

Mr. BIRNEY. Rumors to the effect that there was horse rooms in operation; that is correct.

The CHAIRMAN. And were those rumors frequently brought to your attention?

Mr. BIRNEY. No, sir.

The CHAIRMAN. How frequently would you say?

Mr. BIRNEY. Rumor you hear at any time. Complaints we received none at any time.

The CHAIRMAN. When the rumors were current, over what period of time did that occur?

Mr. BIRNEY. Twenty years, to my knowledge.

The CHAIRMAN. In other words, the rumors have been continuing for 20 years?

Mr. BIRNEY. Correct.

The CHAIRMAN. And always to the same general effect, generally speaking?

Mr. BIRNEY. That is correct.

The CHAIRMAN. I don't mean with regard to the precise location, but generally with regard to the operation.

Mr. BIRNEY. You are correct, sir.

The CHAIRMAN. And might I ask what you did in order to establish whether the rumors were well founded or were not well founded?

Mr. BIRNEY. The policy of the department is to act on complaints only on orders from the mayor. No complaints were received, nor no orders given.

The CHAIRMAN. Did you as the chief of police consult with the mayor as to the rumors which you had received?

Mr. BIRNEY. No, sir.

The CHAIRMAN. Did you see him very often?

Mr. BIRNEY. Once or twice a week, sometimes once or twice a day if the occasion demanded.

The CHAIRMAN. Over a period of what time?

Mr. BIRNEY. Do you mean over a period of weeks or months?

The CHAIRMAN. Or years.

Mr. BIRNEY. With the present mayor, of course, 3½ years. That is as long as he has been in office.

The CHAIRMAN. I see. Prior to that time was the same situation obtaining with regard to your relationship with the mayor, that you would see him—

Mr. BIRNEY. That is correct.

The CHAIRMAN (continuing). More or less regularly?

Mr. BIRNEY. That is correct.

The CHAIRMAN. Did the situation obtain prior to that?

Mr. BIRNEY. That is correct.

The CHAIRMAN. Seeing the mayor of the city so frequently over the period of years in the different cases, as you have described, how often did you discuss with him the rumors which you stated were more or less uniform?

Mr. BIRNEY. There was no discussion unless there was an order issued. At various times orders were issued by the district attorney's office that there was to be a drive against gambling, all of the gambling devices. On those occasions we complied a hundred percent on orders from the mayor. We spot-checked for periods of time, when there was no longer any sites visible that there was gambling devices or gambling being done in the community, naturally men were assigned to other tasks, and frequently they again went back into operation.

The CHAIRMAN. That is, the gamblers went back into operation?

Mr. BIRNEY. Yes.

The CHAIRMAN. And the books were opened?

Mr. BIRNEY. That is right.

The CHAIRMAN. And gambling was more or less widespread?

Mr. BIRNEY. That is correct.

The CHAIRMAN. And unmolested, isn't that correct?

Mr. BIRNEY. That is correct. The policy, as I said before, of the department over the period of years has been to act on complaints or on direct orders, and with no complaints no checking was done during those periods of time.

The CHAIRMAN. Then during the periods when no complaints came in the rumors were current, more or less regularly, were they not, that gambling was in operation again?

Mr. BIRNEY. That is correct.

The CHAIRMAN. And, Chief, did you believe those rumors and did you think that the gambling was in operation?

Mr. BIRNEY. I would say, believing that there was some there, yes. Our community is no different from any other community. It is in every other community, I think, in the United States, and the city of Reading is no exception.

The CHAIRMAN. I have particular reference to such conditions as shown in the investigator's report which I just read as to the existence of and operation of rooms where loud speakers were going and where the window was being operated for handbook or gambling purposes. Did you believe those conditions existed?

Mr. BIRNEY. I had reasons to feel that they existed, yes.

The CHAIRMAN. Did you on any occasion initiate any action yourself?

Mr. BIRNEY. In a small department you don't initiate action. You wait for orders. You don't set a policy. You merely carry out a policy. That is what I done.

The CHAIRMAN. Yes. I would be obliged to you, and you feel free to make any explanation you wish, but I would be obliged to you if you would answer the question categorically "yes" or "no," and then make any explanation.

Mr. BIRNEY. I would say "no" to your question.

The CHAIRMAN. You did not initiate any action?

Mr. BIRNEY. That is correct.

The CHAIRMAN. So we are to understand that throughout the whole period of time, even though you believed that violations of the law were occurring, you did not yourself initiate any action.

Mr. BIRNEY. I had no orders to that effect. Yes or no—no, that is correct.

The CHAIRMAN. Of course, you feel free to make any explanation you wish.

Mr. BIRNEY. That is my explanation, that I received no orders in regard to it.

The CHAIRMAN. You didn't do anything yourself?

Mr. BIRNEY. That is correct.

The CHAIRMAN. And you did not take it up with the mayor or any other authority?

Mr. BIRNEY. Any time the mayor had orders to issue to me he opened the subjects and issued the orders.

The CHAIRMAN. Did you not feel it your duty to inform the mayor of the rumors that you were constantly hearing to the effect that gambling was wide open?

Mr. BIRNEY. I will disagree with you that I heard constantly rumors to that effect.

The CHAIRMAN. I will change it.

Mr. BIRNEY. You will receive a rumor periodically, but when you say constantly, then it would have to possibly be in the form of complaints, of which we received none.

The CHAIRMAN. But, Chief, I will amend the question then in regard to the use of that word, but my question now will be: Did you ever report to the mayor that you had received rumors of the fact that gambling had again started up and was in open operation?

Mr. BIRNEY. I at no time discussed it with him, if that is the answer you wish.

The CHAIRMAN. I only want the truth. It is not a matter of my wishing any certain answer. I just want the truth.

Mr. BIRNEY. That is right.

Mr. RICE. Before I inquire, I would be interested in knowing, Mr. Hoffman, if you are retained by the chief as an individual or if you represent the city.

Mr. HOFFMAN. I have no connection with the city at all, hold no office in Reading.

Mr. RICE. You represent the chief as an individual?

Mr. HOFFMAN. Yes, at his request.

Mr. RICE. He has retained you to represent him at this hearing?

Mr. HOFFMAN. Yes.

Mr. RICE. Now, Chief, you are the chief law enforcement officer in Reading?

Mr. BIRNEY. No.

Mr. RICE. Who is the chief law enforcement officer in Reading?

Mr. BIRNEY. The sheriff.

Mr. RICE. In your own department are you the top man?

Mr. BIRNEY. No, sir.

Mr. RICE. Who is the top man in your own department?

Mr. BIRNEY. The mayor of the city of Reading.

Mr. RICE. Does the mayor carry a badge?

Mr. BIRNEY. That, sir, I wouldn't be able to answer.

Mr. RICE. How does it happen that the mayor is the chief law enforcement officer?

Mr. BIRNEY. Under the Third Class City Act in the State of Pennsylvania the mayor is automatically the head of the police department, regardless of the other departments that may be assigned by an act of council, the statute declares the mayor is the head of the police department.

Mr. RICE. He is the head?

Mr. BIRNEY. That is right.

Mr. RICE. He does the appointing, then?

Mr. BIRNEY. The mayor has no power of appointment other than one vote. I believe my counsel can enlighten you on that with a brief he has of an opinion handed to me not too long ago by our city solicitor, which defines distinctly who the head of the police department may be.

The CHAIRMAN. Chief, let me ask you, then, when did you take the oath of office?

Mr. HOFFMAN. As chief?

The CHAIRMAN. As chief.

Mr. BIRNEY. I took no oath of office other than when I came to the force as a police private 30 years ago.

The CHAIRMAN. That oath was to uphold the laws?

Mr. BIRNEY. That is correct.

The CHAIRMAN. You have been a member of the force continuously since that time?

Mr. BIRNEY. That is correct.

The CHAIRMAN. So that you would certainly feel the same oath you took at the outset continued and that you were more or less under that oath ever since?

Mr. BIRNEY. That is correct.

Mr. RICE. All right, sir. Do you have policemen under you?

Mr. BIRNEY. Yes, sir.

Mr. RICE. How many?

Mr. BIRNEY. Approximately 155 personnel, between policemen and civilian employees in the department.

Mr. RICE. Are they answerable to you?

Mr. BIRNEY. Yes, sir.

Mr. RICE. Have you given them any instructions with respect to how they should treat violations of the gambling laws that come to their attention?

Mr. BIRNEY. I would say again if the answer is to be specific yes or no, the answer is "No"; again saying that it has been the policy of the department from the time that I entered it 30 years ago, that only at the time you received a complaint would you act upon it and attempt to try to eliminate that complaint.

Mr. RICE. Yes. That is a matter of policy.

Mr. BIRNEY. Yes.

Mr. RICE. Now as a practical matter of law, isn't it a violation of the law to operate a horse book in Reading?

Mr. BIRNEY. I believe, sir, it would be anywhere.

Mr. RICE. Particularly in Reading it is, is it not?

Mr. BIRNEY. That is true.

Mr. RICE. How about operating a slot machine? Is that against the law?

Mr. BIRNEY. I would say yes.

Mr. RICE. Now, have you made any arrests during the time that you have been chief at either 31 Poplar Street or 601 Franklin Street?

Mr. BIRNEY. No, sir.

Mr. RICE. Why not?

Mr. BIRNEY. There was never no complaints received.

Mr. RICE. Did you hear Dr. Matchette this morning testify?

Mr. BIRNEY. I did.

Mr. RICE. And what did he say about that?

Mr. BIRNEY. I believe the doctor will say, if I can recall it correct, that he had a letter to the district attorney, to the mayor, he spoke to both, received practically the same answer, at no time did I have any conversation with him. I received from him a letter, a copy of which was sent to the mayor and the district attorney. By execu-

tive order I am forbidden to answer that letter. As the head of a bureau I am not permitted to make a statement. The statements are reserved entirely for the head of the department, which is the mayor.

The CHAIRMAN. Now, Chief, when the Reverend Dr. Matchette's statement reached you, it contained information and complaints, did it not?

Mr. BIRNEY. It did not.

The CHAIRMAN. What was the gist of it?

Mr. BIRNEY. Merely the gist to the effect that they had on record that law enforcement was essential in any community. This is the gist of it. I can't word it word for word.

The CHAIRMAN. We wouldn't expect you to.

Mr. BIRNEY. But it was essential to the good and welfare of any community, and that was being brought to the attention of the law-enforcement officers, hoping that they would see that that would be done in the city of Reading. Specific complaint was absolutely not listed in the communication.

The CHAIRMAN. Yes. Didn't you construe that as a general complaint that conditions needed correction, otherwise these citizens would not have addressed such communication to you?

Mr. BIRNEY. On that it stated that a copy was sent to the district attorney and the mayor, and the mayor again issues the orders.

The CHAIRMAN. We are only talking, though, about you.

Mr. BIRNEY. That is correct.

The CHAIRMAN. The communication was received by you?

Mr. BIRNEY. That is correct.

The CHAIRMAN. And it certainly indicated on its face that these citizens believed that some betterment was necessary. Didn't you think so?

Mr. BIRNEY. That is correct.

The CHAIRMAN. In other words, there would have been no occasion for them to address the communication to you if everything was in order.

Mr. BIRNEY. That is correct, sir.

The CHAIRMAN. And are we to understand that having received such a complaint from the citizens, you did nothing?

Mr. BIRNEY. That is correct.

Mr. MOSER. May I ask a question?

The CHAIRMAN. Mr. Moser.

Mr. MOSER. You mean to say that in your city it is the policy that when a citizen writes the chief of police of a force of 150 men complaining of lack of law enforcement, it is the policy of your city not to even answer the letter?

Mr. BIRNEY. Sir, I have explained to you that I am not permitted to make a statement of any kind whatsoever. That is reserved entirely, that right, for the head of the department, which is the mayor. That comes by executive order from the mayor and council to the heads of every department in the city government. We are not permitted to make any statement whatsoever.

Mr. MOSER. It seems to me that your testimony adds up to one simple fact—namely, that you are the chief of a department of over 150 men and you have no responsibility whatever toward law enforcement.

Mr. BIRNEY. As I have indicated before, sir, we do not make the policy. We only carry out the policy.

Mr. MOSER. You have no policies that you have to carry out as far as I can see.

Mr. RICE. In connection with that policy that you talk about, what is the name of the present mayor?

Mr. BIRNEY. Mayor John Davis.

Mr. RICE. How long has he been in office?

Mr. BIRNEY. Three and a half years.

Mr. RICE. That goes back to 1948, doesn't it?

Mr. BIRNEY. That is correct, sir.

Mr. RICE. Have you ever had discussion with Mayor Davis concerning gambling in Reading?

Mr. BIRNEY. We have had discussions at various times, yes, sir.

Mr. RICE. What were your instructions in connection with that? What was the decision as a result of these discussions? You were present there talking with the mayor. What did you talk about in connection with gambling?

Mr. BIRNEY. Again, as I have explained before, sir, our policy is to act on complaints only. Those were the instructions to myself, which I in turn passed on to the men. We acted on a complaint. We warned the parties responsible for it.

Mr. RICE. We have heard that before.

Mr. BIRNEY. Yes.

Mr. RICE. What did you talk about when you talked to the mayor about gambling? What did you say and what did he say?

Mr. BIRNEY. Again, sir, I listened. He does the saying.

Mr. RICE. What did he say?

Mr. BIRNEY. Again the policy was to the effect that we acted on all legitimate complaints and made every effort to adjust them, that we made no arrests unless it was absolutely necessary.

The CHAIRMAN. Let me ask you who controls gambling in Reading.

Mr. BIRNEY. For definite control, sir, there has been rumors, and again there has been no convictions until this date. It is assumed. But, as I say, up until this time there has been no conviction given as to who actually was at the head of it. I think your own investigators have discovered that.

The CHAIRMAN. Yes, but we would be interested in having your information gained from first-hand contact over this period of years as to who actually runs the gambling operations.

Mr. BIRNEY. Again I feel that the records of the court would disclose more information than what I get.

The CHAIRMAN. Maybe they would disclose more, but certainly from the chief of police we should expect some.

Mr. BIRNEY. When arrests are made, they are turned over to the district attorney's office for prosecution.

The CHAIRMAN. You have no objection to telling us, have you?

Mr. BIRNEY. None whatever.

The CHAIRMAN. Suppose you do.

Mr. BIRNEY. The only thing I have told, even your investigators, it has been assumed that the Minkers were partly at the head of it.

The CHAIRMAN. It was assumed?

Mr. BIRNEY. It was assumed but never been proven.

The CHAIRMAN. By the Minkers you mean who?

Mr. BIRNEY. Abraham and Isidore. That was the assumption.

The CHAIRMAN. For how long have you been under that impression?

Mr. BIRNEY. I wouldn't be able to go back any number of years.

The CHAIRMAN. Does it go over a period of years?

Mr. BIRNEY. I would say it went over a period of years that those rumors were there, yes.

The CHAIRMAN. That those two controlled the gambling operations?

Mr. BIRNEY. While it had been there for all those years, at no time was any arrest made, convictions gained before the courts that ever disclosed any of their connections with it. Again it was an assumption.

The CHAIRMAN. That may be, of course, an explanation of why they were able to continue it over a period of years.

Mr. BIRNEY. That is possible.

The CHAIRMAN. Did you also believe that Mr. Fudeman was involved in that group?

Mr. BIRNEY. That is correct.

The CHAIRMAN. In other words, it has been more or less common knowledge, hasn't it, Chief, that the Minkers—

Mr. BIRNEY. It always has been assumed, sir, yes.

The CHAIRMAN. And you believed it, did you not?

Mr. BIRNEY. I believed it as much as anybody else in the community possibly. We never had any definite proof to the effect that they were.

The CHAIRMAN. But it certainly was taken for granted.

Mr. BIRNEY. It was taken for granted by lots of people; that is right.

The CHAIRMAN. Including yourself?

Mr. BIRNEY. That is right.

The CHAIRMAN. That the Minkers and Mr. Fudeman were actively engaged and in control of gambling operations; is that correct?

Mr. BIRNEY. That is correct.

Mr. RICE. Now, going back to 1949, let me read you this, which appeared in the public press:

READING, February 2, 1949.—Reading ring nets millions in gambling.

Wide-open gambling, in undisguised defiance of the law, flourishes in this city today. Reading's top administrative and police officials, entrusted with enforcing the law, stand silently by while betting parlors operate publicly on its main street and the slot machines click out their profitable tune in almost every club. The police on their beats, demoralized by the failure of their superior officers to support them, turn their backs on open evidences of gambling from street stands which take numbers plays to heavy-money crap games. Behind the scenes of this situation stands a wealthy and politically powerful syndicate which feeds on a take estimated at more than \$5 million annually from slot machines, numbers, and stamp taxes levied by it on every neighborhood punchboard under the threat of police raids. The syndicate has income from some 1,500 wholly owned slot machines it has placed in private clubs throughout the country. The numbers rackets formerly operated nearly a dozen banks in Reading alone and has now been consolidated by mergers until today only two huge banks, both under control of the same ring, run all numbers betting in this area and freeze out possible competitors. The latest development in the syndicate's expansion program has been the levying of a protection tax of \$125 each on every punchboard operated in the city.

It goes on to tell about these taxes, which they describe as being green stamps bearing a pagoda.

What do you know about the protection stamps that appear on these punchboards?

Mr. BIRNEY. Nothing whatsoever, sir.

Mr. RICE. Did this article ever come to your attention, printed in the public press?

Mr. BIRNEY. It may have.

Mr. RICE. As a matter of fact, it did; didn't it? You knew about this.

Mr. BIRNEY. When you read that to me at this time, sir, if it had appeared in the press—which, don't misunderstand me, I am not questioning, you having read that—if that appeared in the press, I have forgotten it entirely.

Mr. RICE. It is 1949. It was 2 years ago.

Mr. BIRNEY. I know nothing whatsoever about a protection stamps.

Mr. RICE. When you found out about that, when you read about that, did you conduct any investigation to determine what this story was about the stamps?

Mr. BIRNEY. No, sir.

Mr. RICE. Why didn't you? This is a complaint. This is a written complaint in the newspaper that these operators of these punch-boards were being forced to pay protection by reason of these stamps to keep the police from raiding them. This is a matter that comes squarely within your jurisdiction, within the province of your job there. What do you have to say about that?

Mr. BIRNEY. I have no knowledge whatsoever of any stamp ever having appeared on any board in the city of Reading.

Mr. RICE. Did you inquire to find out about that?

Mr. BIRNEY. Boards were distributed in the city of Reading, they were stopped by an order of the mayor. Every cash-and-carry tobacco company, including your larger candy companies, stormed the office of the mayor protesting the banning of the boards, demanding that owing to it appearing at the time of the year it did—this ban they had issued the instructions to us about—that it was killing their trade and they were again permitted to operate those boards.

That I have no control over whatsoever.

Mr. RICE. Were there any church people storming the office trying to get those to continue?

Mr. BIRNEY. May I submit this to you for your inspection?

The CHAIRMAN. Yes, indeed.

Mr. BIRNEY. I want you to realize my position to a certain extent. That was issued just as recently as March 20.

Mr. RICE. Now, sir, here is another article a little later, April 1949:

Gambling lid off again—

this is right after the other one, when evidently the lid went on a little bit—

in wide-open raid. Slot machines are back in nearly every 1 of the 300 clubs in this city and county. Newsboys are taking numbers plays again, and the two lavish emporiums for horse-race betting are flourishing as comfortable as ever; * * * bets on horses can be placed by anyone in the elaborate parlor at Sixth and Franklin Streets or the very efficient set-up on Poplar Street near Washington Avenue.

Did you take any action after reading that in the papers?

Mr. BIRNEY. None. None of this was ever placed into our hands in the form of a complaint. No action was taken.

Mr. RICE. Did you discuss the publishing of these articles with your mayor?

Mr. BIRNEY. Not to my knowledge.

Mr. RICE. Well, did you?

Mr. BIRNEY. I don't think I did.

The CHAIRMAN. Chief, in certain questions which I asked you previously, I referred to Mr. Fudeman. I had reference to Mr. Alex Fudeman. Is that the name of the man?

Mr. BIRNEY. That is right.

The CHAIRMAN. I just wanted that for purposes of identification. Thank you.

Mr. RICE. Now, you have 150 policemen down there.

Mr. BIRNEY. That is not policemen, sir. I said policemen and civilian personnel.

Mr. RICE. Police and civilian personnel?

Mr. BIRNEY. That is right.

Mr. RICE. Are you absolutely certain none of these individuals ever brought to your attention the fact that there were gambling operations running in Reading? Never made a complaint?

Mr. BIRNEY. You mean that the men themselves—

Mr. RICE. Yes; the men on the beat.

Mr. BIRNEY. The men may have made the expression at times, yes: that a certain place they may have had a number or a punchboard, something like that, that is correct; I would say they have.

Mr. RICE. When your uniformed officer comes to you and says there is a gambling operation running on my beat what shall I do about it, do you consider that a complaint?

Mr. BIRNEY. No.

Mr. RICE. You don't. I don't think I have any further questions, Mr. Chairman.

The CHAIRMAN. All right. Thank you.

Mr. BIRNEY. May I make a statement before leaving?

The CHAIRMAN. Yes, indeed.

Mr. BIRNEY. As I told you gentlemen, I am a member of the police department for 30 years. We have in the department a rule book which says that at all times you take your orders from your superior officers.

The case in question the mayor is the head of the department, and as such issues orders for the department. We don't make the policy, we carry it out.

The city of Reading today is as clean as any city of its size in the United States. We have no houses of prostitution; every one of them have been eliminated, with its associated evils of gambling, men who traffic in white slavery, pimps who live from the women themselves in their homes—everything of that nature has been eliminated from the community.

Gambling, of course, there is, as I feel it is in most other communities in our country today. No narcotics. I said there is nothing with the resulting influences from white slavery which is dope, no narcotics of any kind. It follows a pattern most of the time, and there is absolutely none of that in the city of Reading.

Mr. RICE. Just a minute, sir. When you talk about law enforcement there, have you ever heard of Red Rowe?

Mr. BIRNEY. You mean Red Rowe?

Mr. RICE. Yes.

Mr. BIRNEY. Yes.

Mr. RICE. What business was Red Rowe in?

Mr. BIRNEY. Red Rowe was from all indications a man about town with not much business of any kind.

Mr. RICE. In the gambling business?

Mr. BIRNEY. That is correct, more than anything else.

Mr. RICE. What happened to Red Rowe?

Mr. BIRNEY. Red Rowe, I believe, was shot in Schuylkill County. Our men helped the county detectives and the State police trace down the party responsible for it, he was captured, and tried in Schuylkill County for the murder and convicted.

Mr. RICE. So that Red Rowe, who was a gambler, was shot and killed, wasn't he?

Mr. BIRNEY. That is correct.

Mr. RICE. How about John Matz? Did you ever hear of him?

Mr. BIRNEY. John Matz; yes, sir.

Mr. RICE. What business was he in?

Mr. BIRNEY. He, years ago, from all indications, was in the slot machine and punchboard—

Mr. RICE. The gambling rackets?

Mr. BIRNEY. That is right.

Mr. RICE. What became of Matz?

Mr. BIRNEY. Matz died, I believe, in Grand Central Station of a heart attack, according to the medical examiner in New York. That is all I know of the case. He had left town, and in the paper appeared a notice of his death and as to where it had taken place. That is all I know of it, sir.

Mr. RICE. Who was accused of the Rowe killing?

Mr. BIRNEY. I would be unable at this time, my friend, to tell you that.

Mr. HOFFMAN. Stromberg.

Mr. RICE. Sidney Stromberg?

Mr. HOFFMAN. Yes, sir.

Mr. RICE. The brother of—

Mr. HOFFMAN. Nig Rosen.

Mr. RICE. That we talked about today that these people didn't know whether they knew or not?

Mr. HOFFMAN. I know that as a matter of fact.

The CHAIRMAN. That will conclude the examination, thank you. This will conclude the hearing, and all of the information obtained will be submitted to the entire committee.

(Whereupon, at 5:40 p. m., the special committee adjourned.)

EXCERPTS FROM NEWSPAPER CLIPPINGS OF MR. KOS SEMONSKI, REPORTER,
PHILADELPHIA INQUIRER

[From the Philadelphia Inquirer, January 31, 1949]

READING, January 30.—Howard D. Adams, president of the Berks County Firemen's Association, declared here today that fire companies in Berks County will put their gambling machines "back into use and will refuse to pay for protection"; Adams told 200 representatives of 77 fire units attending the annual meeting to bring their slot machines "into the open," and added that they should refuse to pay a 25-percent protection dividend, and decline to purchase a \$1.25 green stamp which allegedly provides protection for punchboards. He said that if there is to be gambling, then the fire companies should have a right to do it, too. But if gambling is to be eliminated in all forms, then he wanted the fire companies to be the leaders in eliminating all forms of vice. He said several

clubs have been visited recently by salesmen selling "protection stamps." He said, "If the enforcement officers are so corrupt they cannot control or eliminate gambling, it is time for the fire companies to turn their hoses on them and campaign for the right officials."

[From the Philadelphia Inquirer, February 3, 1949]

READING, February 2.—Reading ring net millions in gambling. Wide-open gambling, in undisguised defiance of the law, flourishes in this city today. Reading's top administrative and police officials, entrusted with enforcing the law, stand silently by while betting parlors operate publicly on its main street and slot machines click out their profitable tune in almost every club. The police on their beats, demoralized by the failure of their superior officers to support them, turn their backs on open evidences of gambling from street stands which take numbers plays to heavy-money crap games. Behind the scenes of this situation stands a wealthy and politically powerful "syndicate" which feeds on a "take" estimated at more than \$5,000,000 annually from slot machines, numbers and "stamp tax" levied by it on every neighborhood punchboard under the threat of police raids. The syndicate has income from some 1,500 wholly owned slot machines it has placed in private clubs throughout the county. The numbers racket formerly operated nearly a dozen banks in Reading alone and has now been consolidated by "mergers" until today, only two huge banks, both under control of the same ring, run all numbers betting in this area and freeze out possible competitors.

The latest development in the syndicate's expansion program has been the levying of a "protection tax" of \$1.25 each on every punchboard operated in the city.

The syndicate's effort to muscle in on this type of gambling began only a month ago, when its agents visited neighborhood merchants, inspected their punchboards, and informed them the boards were "illegal," because they failed to carry a yellow or green stamp, sold by the syndicate for \$1.25 each.

Punchboards carrying such stamps were reputedly immune to police raids and confiscation; those which had no stamps actually brought the owner's arrest, in a number of instances, by city police.

Such "tax stamps," bearing a likeness of Reading's famed Pagoda and lettering which resembled that on a Federal revenue stamp, disappeared suddenly at the start of this week, when word got around that an investigation was in progress. One of the larger horse parlors operates without any attempt at camouflage at Sixth and Franklin Streets which is only a block from the heart of the city. Another is on Poplar Street near Washington, a half block from city hall and police headquarters.

In either of these, a total stranger may walk in and place a bet. Neither has a guard at the door, and bets are taken, odds posted, and racing results listed openly. The number of clients in each place averaged 150 today, with a constant turn-over, and the buzz of activity from them was audible on the street, where police patrolling their beats passed constantly and ignored the entire proceedings.

Former Judge Robert Grey Bushong of the Berks County Orphans Court, now counsel for the retail liquor dealers association of the county, who has conducted a vigorous campaign against syndicate control of slot machines since last summer, said today he planned shortly to ask Attorney General T. McKeen Chidsey to investigate conditions here, superseding District Attorney John E. Ruth.

Both Ruth and Mayor John F. Davis, Bushong declared, have promised him repeatedly that they would enforce the law, but nothing has actually been done.

The district attorney last October 12 issued an edict banning slot machines throughout the county, after Bushong and his organization had circulated a petition calling for a grand jury probe of gambling, Bushong recalled. The machines reappeared on New Year's eve, shortly after the syndicate had spent \$40,000 for new machines. Last month agents of the ring approached club managers and fire companies and demanded 25 percent of the take or the right to put its own machines in on a 50-50 basis. Those clubs which refused were given a final chance to pay the syndicate \$75 a week as protection.

[From the Philadelphia Inquirer, February 4, 1949]

READING, February 3.—This city's big-time gambling syndicate, which has operated openly here with the apparent connivance of city officials, scurried for cover today in the wake of the Inquirer's exposé of rackets in Reading and Berks County.

A conference on strategy was held by key members of the big \$5,000,000 organization in the shadow of city hall at 1 a. m.; from then until 4 a. m., trucks and high-powered cars rumbled through the streets in all parts of the city, collecting racket-owned slot machines from clubs and hang-outs.

The machines were deposited for storage in a building on Schuylkill Avenue.

Punchboards which offered cash prizes, and those bearing the \$1.25 green "tax stamps" of the syndicate, also disappeared during the morning from the many cigar and candy stores and taprooms which had displayed them yesterday.

Other boards offering merchandise as prizes were still available, however; the cigar stand in a centrally located hotel here was among those still offering boards with merchandise prizes.

Investigators for the Inquirer, without identifying themselves, were able to place numbers bets at two street stands on Penn Street, Reading's main thoroughfare. One stand is at Fifth Street, and the other at Sixth.

Inspection of mortgage records showed that one of the three figures now running the syndicate holds mortgages amounting to more than \$160,000 on the properties of seven Reading social clubs alone. The mortgages are held jointly with his wife. The same man, who maintains a handsome home in Reading's finest residential section, has never, so far as can be discovered, had any steady occupation or recognized source of income.

District Attorney John E. Ruth has insisted that he be given "complaints" before he will act against gambling law violators.

[From the Philadelphia Inquirer, February 5, 1949]

READING, February 4.—Paul N. Schaeffer, former president judge of Berks County Common Pleas Court, and such civic leaders as Darlington Hoopes, John S. Rhoda, and Frank C. Hilton called on Gov. James H. Duff to send investigating teams into the county, at which time the racket lords of the syndicate issued a general "stop order" and the network of organized gambling vanished from sight.

It was followed by an announcement by County Judge Forrest R. Shanaman that he and Judge Warren K. Hess would confer at 11 a. m. tomorrow with the district attorney, the mayor and officials of the Reading Chamber of Commerce on the chamber's request for an investigation. Shanaman arranged the session because President Judge H. Robert Mays was vacationing.

Due to the exposures by the Inquirer, citizens walking past two principal horse race parlors at 31 North Poplar Street and Sixth and Franklin Streets, could not hear from the sidewalk the announcers calling the results of races. Each place was equipped with three loudspeakers.

Judge Schaeffer and John S. Rhoda, president of the YMCA and solicitor for the board of education, apparently were determined no whitewash would be applied.

Darlington Hoopes, a civic leader and former State representative, wrote a detailed letter to Governor Duff declaring that citizens protesting to the mayor and the district attorney at the blatant open gambling "have gotten no satisfaction."

"In the district attorney campaign in 1947 it was openly charged that the contest at the primary was a fight between two groups of racketeers, each of whom wanted to control the office."

Hilton, chairman of the Young Republicans of Berks County, said, "It's high time that an unbiased investigation, free from any control or any political strings, be made of gambling in Reading. The people are entitled to the real facts. The attorney general should come in and clean out the racketeers."

Judge Shanaman, Berks County's senior jurist while President Judge Mays is on holiday, said he acted instantly on a request voted by the chamber of commerce at a board of directors' meeting yesterday.

The district attorney stated he intended to continue his investigation of all types of gambling and had contacted the commander of troop C of the State police in West Reading and intended to contact Col. W. C. Wilhelm (commissioner of State police)."

But Capt. Edwin C. Griffiths, commanding troop C, said that although Ruth "had been in touch," no specific request for assistance was made. Ruth's principal investigator, Chief County Detective Harry E. Bell, meanwhile, went to Harrisburg to talk to Colonel Wilhelm.

[From the Philadelphia Evening Bulletin, February 6, 1949]

READING, February 4.—"Reading closed tight in drive on gamblers." gaming equipment vanishes as result of clean-up move. Slot machines, punchboards, numbers and horse-race-bet takers, dice and poker games disappeared from Reading as the immediate result of a clean-up movement which brought an ultimatum from District Attorney John Ruth to the effect that "everything has got to go." Impetus for it came a week ago from Howard Adams, head of the Berks County Firemen's Association, who rose in a meeting of fire company members and told them not to pay a 25 percent "rake-off" from their slot machines to a gambling syndicate for "protection."

There are 86 federally licensed slot machines, so-called one-arm bandits, in Reading, and about 300 throughout Berks' County. Some are owned by the syndicate, some by "independents," of whom the slot machine operating fire companies are one group.

The syndicate leases its machines to many clubs and gets a cut of the receipts reported to range between 50 and 60 percent. The syndicate reported to be run by two Reading men who have other businesses as fronts, began demanding a cut from the independently operated machines with which it had no connection. The excuse was "protection."

During the past year, Robert Grey Bushon, attorney for the Retail Liquor Dealer's Association of Berks County, during the past year, has been making radio speeches attacking the tolerance which authorities have shown to operation of gambling devices by clubs. He regarded such entertainment in clubs as "unjust competition" for the more closely watched taprooms.

[From the Philadelphia Inquirer, February 6, 1949]

READING, February 5.—City officials and civic leaders here, stung to action by the Inquirer's exposure of widespread commercialized gambling and corruption in the community, said today they would welcome an investigation of conditions in Reading by Attorney General T. McKeen Chidsey and would extend all possible help in the event that such a probe was ordered.

Representatives of the chamber of commerce, YMCA, and other groups gave their full support to Mayor John F. Davis and District Attorney John E. Ruth in a locally directed investigation of the situation.

Col. W. C. Wilhelm, superintendent of State police, announced that "the State police have been making an investigation of their own, and when completed will advise you of our conclusions, for such use as you may see fit to make in the public interest."

The district attorney, although denied the use of State police, said today the State liquor control board has assigned him three men for further investigation. Acting President Judge Forrest R. Shanaman, of the Berks County Common Pleas Court, held a conference this morning with the following: Judge Warren J. Hess; Willard E. Roberts, president of the Chamber of Commerce of Reading and Berks County; James B. Banford, vice president of the chamber; Roger Jewett, secretary and manager of the chamber; Mayor Davis, District Attorney Ruth and Chief Bell.

[From the Philadelphia Inquirer, February 9, 1949]

READING, February 8.—Suspension of organized gambling in more than 200 private clubs in Berks County presents a major financial problem involving mortgages of millions of dollars held by both legitimate financing institutions and notorious racketeers.

The slot machine having become an institution, promising calculable profits, and mortgages have become common on very little visible equity—except the certainty of slot-machine profits. This income has now ceased as a result of the "stop everything" order issued by the syndicate.

Bored at the lack of action, leading figures in the gambling ring reopened their high-stake dice and poker games after taking the precaution to move the green cloths from the public gambling house where the game has regularly operated in an uptown hotel.

This game is for high stakes, and spectators have been able to count \$15,000 at a single table stakes poker game.

At the bottom of the scale, runners for the organized numbers banks began to feel the pinch of "no play" and started to set themselves up as bankers. It was possible today to place numbers bets at a place near Tbird and Elm Streets and at another on Front Street above Washington Avenue.

One private club on Eighth Street in a quite ordinary three-story brick building on a lot 30 by 230 feet, was, in August 1947, able to borrow \$100,000 on which the interest alone is \$1,667.67 a month.

Official records show two other mortgages on this property. One, dated to 1940, is for \$3,500, which would seem normal for the building, but the other, in 1946, amounted to \$43,000 and the official records do not show that either had been satisfied when the \$100,000 mortgage was written 2 years ago.

The \$46,000 in mortgages are held by a well-known but apparently unemployed gentleman here who is reputed to have invested about \$120,000 on mortgages to other clubs.

In some cases, the same club is shown by official records to have borrowed money on mortgages from reputable banking institutions and from private persons known to have assembled large funds from only vaguely described enterprises.

One fraternal group was able, in 13 months, to satisfy a \$35,000 mortgage, but still is indebted to a legitimate lender for an additional \$100,000.

Mortgages of \$50,000 or more are common on clubrooms of volunteer firemen's associations, which apparently can pledge no more than the furniture in their clubrooms.

Individuals also have been thrifty. In 1945, an agent of a municipal department whose official duties impinge on the racketeers' operation, was able to borrow slightly more than \$6,000 on his home. He repaid this in 28 months, although his salary during that period did not amount to \$6,000.

[From the Philadelphia Inquirer, February 8, 1949]

READING, February 8, 1949.—The gambling situation remained closed, but no raids were made on the Schuylkill Avenue warehouse here to which the "syndicate" trucked its slot machines at 4 a. m. Wednesday.

Nor was any official visitation made to the now-closed horse race betting center at Sixth and Franklin Streets, where a large brass padlock adorned a glass door, behind which all the paraphernalia of a large-scale betting room still reposed.

District Attorney John E. Ruth conferred with Mayor John F. Davis and Police Chief William P. Birney. Afterward Ruth stated that none of the gambling places on which the Inquirer furnished details were functioning during that night.

"The Reading Ministerial Association opposes all forms of gambling both public and private and urges the law-enforcement officers to enforce and execute the law."

[From the Philadelphia Inquirer, April 18, 1949]

READING, April 17, 1949.—Gambling lid off again in wide-open raid. Slot machines are back in nearly every one of the 300 clubs in this city and county. Newsboys are taking numbers plays again and the two lavish emporiums for horse race bettings are flourishing as comfortable as ever. Robert Gray Bushong, counsel for the retail liquor dealers filed a protest with Mayor John F. Davis and bluntly asked the mayor whether his close-up order on slot machines was "only good for the month of February." Bushong stated that slot machines were now operating on a hide-and-seek basis as they were being brought from their hiding places over week ends when it is supposed that there will be little or no detection by the police. However, the betting establishments have now added look-outs and doormen. The biggest depository for numbers plays is a stand at Sixth and Penn Streets, supplemented by an office in a building only a

few steps away. Bets on horses can be placed by anyone in the elaborate parlor at Sixth and Franklin Streets or the very efficient set-up on Poplar Street near Washington Avenue.

Bushong stated, "I believe that most policemen are honest and willing to do their duty * * * I believe that they have reported the presence of slot machines in the clubs * * * I believe that they have failed to make periodic checks because they have received no orders to do so * * *"

[From the Philadelphia Inquirer, April 24, 1949]

READING, April 23.—Robert Gray Bushong reminded District Attorney Ruth that the district attorney had twice demonstrated his power to shut down the slot machines merely by a word from his office, etc.

Sam B. Fruchter, editor of the Sunday Graphic, a weekly newspaper in Reading, told the Inquirer he was asking renewed action, "despite threats by local gangsters, gamblers, and racketeers to kill us for exposing the alliance between gangsters and politicians in Reading and Berks County."

[From the Philadelphia Inquirer, May 13, 1949]

READING, May 12.—District Attorney John E. Ruth notified Mayor John F. Davis that unless all punchboards were removed from Reading by tomorrow, there would be wholesale raids by county detectives and State police. In recent weeks punchboards have allegedly been placed in Reading and surrounding communities at Williamsport and Hazleton.

[From the Philadelphia Inquirer, May 20, 1949]

READING, May 19.—State police and State local control board agents tonight raided the St. Marco's Society in Temple, Pa., the Wernersville Beneficial Home Association in Wernersville, the West Wyomissing Fire Co., and the Mount Laurel Rod and Gun Club in Muhlenberg Township. Sixteen slot machines were seized. Capt. Edwin Griffith, commander of the West Reading barracks, said that the State police had made spot checks of various clubs in the county as a preliminary step to these raids.

[From the Philadelphia Evening Bulletin, June 20, 1949]

READING, June 20.—Judge H. Robert Mays deferred sentencing of four club employees who were arrested in raids on May 19 when State troopers and liquor control board agents seized 16 slot machines. The four defendants who pleaded guilty before Judges Mays, Shanaman, and Hess were Paul Knepper, steward at the West Wyomissing Fire Co.; Pasquale Filippini, bartender at the St. Marco Society; Clarence V. Love, steward at the Wernersville Memorial Home Association; and William A. Reider, steward at the Mount Laurel Gun Club, Temple. Sentencing of these defendants was deferred pending a check-up on enforcement of a gambling ban ordered last February. This decision was apparently promoted by a desire not to punish certain gamblers while others were allowed to operate freely.

[From the Philadelphia Evening Bulletin, July 21, 1949]

READING, July 21.—Three Berks County judges called the mayor of Reading and the district attorney and asked them for an account of progress in a drive to suppress gambling. The district attorney stated that the drive has been a success in rural sections. Mayor Davis stated that no complaints had been received in the past 4 months with respect to Reading proper. At this time, the following defendants were fined \$250 and costs and placed on probation for 6 months: Paul Knepper, steward of the West Wyomissing Fire Co.; Pasquale Filippini, bartender at St. Marco Society, Temple; Clarence V. Love, steward of the Wernersville Memorial Home Association; William A. Reider, steward at the Mount Laurel Gun Club, Temple; Henry E. Aldridge, steward at the Hamburg Moose Home; and Charles M. Stufilet, steward at the Fraternal Order of Eagles, Kutztown.

[From the Philadelphia Evening Bulletin, August 31, 1949]

READING, August 3.—One hundred men arrested in Reading raid. More than 100 men were seized in a State police raid on horse race parlor one-half block from city hall. The raid took place in a room on the second floor of a building formerly a garage. The raiders were led by Lieutenant Snavely of troop C, West Reading barracks. Six hundred dollars was confiscated at six betting booths. A truckload of tote boards, teletypes, loudspeakers, and other paraphernalia was confiscated. Frequenters numbering 98 were released. The following were charged with operating and maintaining a gambling establishment and were released in \$500 bail each: Walter Beeler, 38; James V. Corrile, 32; Louis M. Fudeman, 36; Marvin Weidner, 42; Benjamin Bonanno, 36; Joseph Bonanno, 39; all of Reading.

[From the Philadelphia Inquirer, August 9, 1949]

READING August 8.—Governor James H. Duff has been asked by Howard D. Adams, president of the Berks County Firemen's Association, to ban gambling for cash prizes at the Kutztown and Reading Fairs.

[From the Philadelphia Inquirer, December 2, 1949]

READING, December 1, 1949.—Five men allegedly connected with the numbers racket and two others charged with slot machine operations were indicted by the Berks County grand jury today. Numbers suspects indicted were: Raymond W. Wagonsellser, Nathan C. Mendelsohn, Frank Barak, Thomas F. Moran, and William C. Becktel—all were charged with being pickup men. Becktel was alleged to be a numbers writer.

In the slot-machine cases, Allen C. Southerly, a gas-station operator, and Theodore Pockron, steward of the Sterling Athletic Club near Boyertown were indicted. Stephen W. Palcak, alias Steve Paulsen, 40, of South Sixth Street near Bingamin was arrested by a State trooper today as a pickup man for a numbers bank.

[From the Philadelphia Inquirer, December 9, 1949]

READING, December 8.—Charles Lengel, chief of the Womelsdorf Volunteer Fire Company who pleaded guilty to keeping and maintaining a gambling house was fined \$500 and assessed cost by Judge Robert Mays today. The alleged violation involved operation of slot machines.

[From the Philadelphia Inquirer, December 17, 1949]

READING, December 16.—Thirteen men who pleaded guilty to gambling charges in Berks County court today were fined \$500 each and sentenced to jail terms varying from 4 to 9 months. Nearly all were paroled immediately. The fourteenth defendant was fined \$150. These defendants were: Thomas F. Moran of Robeson Street; Stephen W. Polcak of South Sixth Street; Richard W. Wagonseller of North Front Street; and William C. Bechtel of West Reading; Frank Borek of Linden Street; Nathan Mendelsohn of Pennside; Michael Natello of South Fifth street; Joseph Bonanno; Walter F. Beeler; Marvin A. Weidner; Frank Perilli.

[From the Philadelphia Inquirer, June 29, 1950]

READING, June 28.—Slot machines again in general operation and gambling is returning to normal, State Police Sgt. Michael Reilly of West Reading barracks indicated today in Berks County court, in reply to questions by Judge Forrest Shanaman. The question was asked before imposing a \$250 fine and 6 months' probation on Paul Fine, who admitted running a gambling house on South Ninth Street, which was raided on February 20.

[From the Philadelphia Inquirer, September 20, 1950]

READING, September 19.—John F. Hyneman, treasurer of the Sterling Athletic Club on the Boyertown Pike, and Charles E. Wickel, a bartender, pleaded guilty to liquor and gambling violations. Liquor-control board agents testified they entered the club and were allowed to buy drinks and play slot machines although they were not members.

[From the Philadelphia Inquirer, November 14, 1950]

READING, November 13.—Criticisms by two judges of Berks County court of practices of taking gambling prisoners before aldermen where they get off comparatively lightly with fines—resulted today in the rearrest of Paul J. Enzman, who is vice president of the Pioneer Fellowship Association. He was arrested in a raid on the club by State police and liquor-control board agents September 30. Three slot machines were seized. He was fined \$100 by Alderman Paul Brogley. President Judge H. Robert May and Judge Warren K. Hess, varied the criticism. District Attorney John E. Ruth ordered the rearrest.

June 2, 1951.

Memorandum.

To : The files.

From : William Amis and Joe Bucher.

Subject : Wire service in horse-book parlors, Reading, Pa.

In the course of our investigations made with reference to gambling, we found two horse-book parlors, one located at 601 Franklin Street, and one at 31 Poplar Street, where there were loudspeakers and boards which were furnishing racing information from five tracks.

Information from the Western Union Telegraph Co. was that two ticker-tape machines, furnishing sporting news, were located at these places. It was noted that there were three betting windows and paying teller's window in each of these places, and at the time we visited 601 Franklin Street, Investigator Bucher placed three bets on horses at three different tracks, which he did not win.

It appears that the person in charge of these parlors is Alec Fudeman, who from all information is a nephew of the Minkers.

While making a survey of the various amusement and novelty companies, we called on the Victory Novelty Co., located at 530 Franklin Street, where we interviewed Alec Fudeman. He stated that there was not a company operating as the Victory Amusement Co., but that he had used that name in order to get a telephone, since it was impossible to get a phone for personal use only. He was questioned regarding the operation of slot machines and he stated that he did not operate any machines but did do some repair work on them. General questions were asked about his business and he stated that he did not care to discuss his business operations without first consulting his attorney. He stated that he would be very glad at any time to have an interview with us and that he could be reached at the 530 Franklin Street address at any time we desired to question him.

On leaving this address, we proceeded to 601 Franklin Street to determine whether or not the horse-book parlor was still in operation. Mr. Bucher went to the paying teller's window and asked who was in charge of the place, stating that he wished to talk to him. At this time, he was informed that if he would wait in the restaurant on the corner above, a man would be there in 10 minutes to talk with him. We waited a short time and Alec Fudeman, whom we had interviewed a short time before, appeared and said that he was in charge of the operations of both the horse parlors at 31 Poplar Street and 601 Franklin Street, but that he did not care to discuss his business any further without the advice of counsel.

The COURT (orally). Yesterday at the congressional hearing a statement was made by a witness who had been incarcerated on a narcotics charge, dealing generally or saying generally—I don't have the exact language—that the narcotics squad in Baltimore and Sergeant Carroll had tipped off raids or allowed certain people to operate, or some such language as that. I only read the report in the newspaper hurriedly, I haven't had much time to do more than that.

Before the court makes any statement, I would like Mr. Orth to make a public statement with respect to the facts of that particular case, and then I want to hear from Mr. Martin, of the Federal narcotics squad.

Mr. Orth, was the man's name mentioned in the newspaper?

MR. ORTH. Yes; Your Honor.

THE COURT. What does your file, the file of the State's attorney's office, show with respect to that defendant?

MR. ORTH. The defendant, Charles Williams, Your Honor, was indicted in two indictments, 6378 and 6379, in 1950, charging him with violation of the narcotic laws and operating a disorderly house. The facts of those two cases are these: On December 27, 1950, Sgt. Joseph Carroll and Officers Maniewski and Simousen approached the premises known as 617 Pierce Street. They had had these premises under observation and received certain information concerning them. At that point they sent in an informer with marked money, and instructed him to enter the premises to see the defendant, Charles Williams. He entered the house. Officer Maniewski was stationed in the rear of the house and saw Charles Williams, the defendant, go to the rear of his yard, move an object and take something that was hidden there and went back into the house. In the meantime Sergeant Carroll and Officer Simousen entered the front of the house after they had received a capsule of heroin from the informer that they had sent him into the house. A search of the yard revealed a case which contained narcotic paraphernalia in the place in which they had seen Williams go, that is, a hypodermic syringe, two needles, and six capsules of heroin.

They remained at the premises for several hours and during that time seven known drug addicts came in to purchase drugs.

On the following day they came back to the house and remained several hours, and during that time 50 additional addicts came to the house to purchase drugs. Some of these, approximately six of these addicts testified at the trial in the criminal court that they had purchased drugs from the defendant, Charles Williams. In the house on December 27, the day the raid was made, Charles Williams said that he would get even with the police, and immediately after his arrest, or a short time after his conviction, he sent letters to the Federal Bureau of Narcotics charging that he had been framed. That matter was thoroughly investigated by the Federal Bureau of Narcotics and found to be completely without foundation in fact of any kind.

At the time of his arrest he was also under probation of a conviction in February of 1950 for which he was charged with receiving stolen goods and larceny. He was convicted by Judge Manley and given 18 months in the house of correction, which sentence was suspended and he was placed on probation for 2 years. The officers in that case also were Officers Carroll, Simonsen, and Maniewski, and the defendant, Williams, made statements to those officers on his subsequent arrest for the violation of the narcotic laws that he was incensed concerning his probation violation, and that he would get even with these officers, and particularly Sergeant Carroll. That probation was stricken out by the presiding Judge at the trial and the sentence of the narcotic conviction, and he was sentenced to 2 years in the house of correction for violation of the narcotics laws, to run consecutively with the balance of the sentence that was given for which he was given probation.

During the time that the State's attorney's office has had close contact with Sergeant Carroll in the investigation of narcotic conditions in Baltimore city, the State's attorney's office, and it is my personal opinion that Sergeant Carroll has done an outstanding job. He and his officers are not only energetic policemen, they know fully the facts and circumstances concerning narcotic violations. They are not only energetic, they have imagination in the conduct of their investigations, and I have found them truthful, honest, and sincere in their efforts in every respect.

THE COURT. Where is Sergeant Carroll now?

MR. ORTH. Sergeant Carroll is on vacation now.

THE COURT. Mr. Orth, that case was tried before Judge Warnken. That was before all narcotic cases were put in part I; is that right?

MR. ORTH. That is correct.

THE COURT. Judge Warnken sentenced him to 2½ years?

MR. ORTH. To 2 years on the narcotics and 6 months on the disorderly house, to run concurrently with the 2 years of the narcotics but consecutively with the 18 months for which he had been given probation in the larceny case.

THE COURT. Thank you.

* * * * *

The COURT. Is Mr. Boyd Martin here? Will you take the stand?
Thereupon—

BOYD M. MARTIN, * * *

The COURT. Mr. Martin, what is your official position?

Mr. MARTIN. District supervisor, Bureau of Narcotics, for district 5, which embraces the States of Maryland, Virginia, West Virginia, North Carolina, and the District of Columbia.

The COURT. How many men do you have in your department?

Mr. MARTIN. In this district I only have 11 men, 1 man for each million population.

The COURT. That means for all the States and the District of Columbia, that you have enumerated, you have 11 men only?

Mr. MARTIN. That is correct. I only have three men in the city of Baltimore. There has been considerable publicity, in my judgment one-sided.

The COURT. Mr. Martin, I am interested in the item that appeared this morning. Because Sergeant Carroll is not here I want to ask you a few questions.

What has been the kind of cooperation between your Federal department and the Police Department of Baltimore city in dealing with narcotics?

Mr. MARTIN. In my 36 years' experience, assigned in Baltimore, dealing with narcotic drugs, the cooperation that I have received from the police department has been excellent. There has never, to my knowledge, been the slightest friction between any members of the police department. The creation of the narcotic squad, for which I must say Mr. Sodaro played a great part, also the mayor in appearing before the board of estimates in order to provide funds that a successful police narcotic squad could operate with, and the improvement in enforcement of the narcotic laws in Baltimore in the year 1951 has been greater than in 30 years prior to 1951.

The COURT. Now, Mr. Martin, what is your own view with respect to Sergeant Carroll and his squad?

Mr. MARTIN. I have the utmost confidence in Sergeant Carroll, Maniewski, and Simonsen. I have worked with them, and this matter that has arisen will not affect my confidence or failure to continue working with the narcotic squad, and I want to say the dope peddlers in Baltimore are on the run, the picnic is over with them, and you can disregard inflammatory testimony such as Williams'. I know Williams. Williams is a notorious dope peddler. He was doing a tremendous business. He was grossing about \$1,000 a week. He wrote to my office and complained about Carroll and his squad. I investigated that matter and it was absolutely false, his claims, no truth in fact at all was involved. He could furnish no evidence that would have any value, and he did like all dope peddlers do, they go one step too far. He stated that Carroll and his men had framed a man by the name of Acion, otherwise known as Crip.

He was told, if his men framed Acion the Federal Bureau was a party to that framing, because we worked on that case and we know what happened. Acion, of course, is in the penitentiary, like Williams, and all other dope peddlers are either in there or on their way, with the present set-up in Baltimore city.

The COURT. Anything else you want to add?

Mr. MARTIN. No.

The COURT. I want to make this very brief statement. I feel that every policeman is in a vulnerable position every time he makes an arrest which is followed by a conviction. The easiest thing for the criminal to holler is "frame-up," and try to turn on the officers. Unfortunately, the officers are in a position where the most they can do is deny it, and yet no one comes to their defense in order publicly to clear them.

Sergeant Carroll is away. I don't know Sergeant Carroll except from his appearances in this court. I don't know Officer Maniewski or Officer Simonsen except from their appearance in this court.

I want to say publicly I don't believe a single word of what this inmate of the house of correction, or whatever prison he is in, has testified to. I have the utmost confidence in the integrity of Sergeant Carroll, Officer Maniewski, and Officer Simonsen and the others who have appeared in this court. They have been working not on any 8-hour shifts but around the clock. They have come into this court fully prepared with their cases. They have not exaggerated nor have they added on, nor have they shown a desire solely to obtain convictions, but on the contrary in instances have asked the court not to send a particular person to prison because they felt they could be rehabilitated. In some

instances they have asked the court to take particular action along certain lines because the individuals could be useful in tracking down the peddler who, after all, is the one who must be put behind the bars if the dope traffic is to be stamped out. The user is an unfortunate, sick person. The dope peddler, the source of supply, is the real menace.

I want to repeat that I have the utmost confidence in the integrity and the high ability and character of Sergeant Carroll, Officer Maniewski, and Officer Simonsen. By singling them out does not mean I have any reflections on anybody else. It just so happens that somebody threw some tar at them, and this court just could not allow it to go unchallenged. That is all.

[From the Reading (Pa.) Eagle, June 10, 1951]

Two reputed Reading racket lords, Abraham Minker and Ralph S. Kreitz, and three other persons have been subpoenaed to appear before the United States Senate Crime Investigating Committee in Washington next Friday, June 15.

Disclosure that the five have been summoned in connection with the committee's probe of gambling conditions here yesterday blew the lid off the Reading and Berks County situation relating to the operation of horse-race-betting establishments, slot machines, the numbers game, punchboards, and other forms of gambling.

The announcement by R. P. S. McDonnell, assistant to Richard Moser, chief counsel for the committee, came as the most sensational development since the Federal investigators began their inquiry here nearly 3 weeks ago.

FIRST DEFINITE LINKS

For the first time, it also linked the names of the almost legendary figure of Minker, and that of Kreitz, reputed slot-machine king, directly to the investigators' inquiry into local rackets as they affect interstate commerce. If Kreitz had not always escaped the attention of the law, Minker, at least, managed to remain a shadowy figure who was not involved in the "crackdowns."

McDonnell said the five have been ordered to appear at 10 a. m. Friday at the Senate committee's headquarters in room 900, of the Home Owners Loan Corporation Building in Washington. They are to be questioned behind closed doors.

McDonnell said those served with subpoenas were: Abraham Minker, about 59, of 1711 Alsace Road, Hampden Heights, identified as president of Minker Bros., wholesale fruit and produce dealers.

Ralph S. Kreitz, about 51, of 920 Douglass Street, who served a 60-day sentence in 1948 for failure to pay \$42,953 in income taxes.

Samuel R. Liever, attorney, of 1712 Mineral Spring Road, assistant city solicitor.

Anna E. Brenner, of 184 West Green Street, identified as a bookkeeper for Minker Bros., at 335 North Eighth Street.

Alex Fudeman, of 530 Franklin Street, said to be a nephew of Minker and secretary of the Brighton realty firm, of which Minker is president.

INDICATE RECORDS CALLED

That the committee also ordered Minker and possibly others in the group to produce ledgers, accounts, and other records when they appear, was assumed from the inclusion of the bookkeeper among those directed to appear.

The investigators' action also strengthened the belief that the committee would order an open hearing later, either in Reading or Washington.

Liever was among those who visited the investigators' office in the basement of the post office yesterday. He said, when he emerged, that he had represented a number of taproom owners in court from time to time and had called for a conference with McDonnell.

CITY LIEN CLERK

Liever has been practicing before the Berks bar since 1935. He was appointed lien clerk in the city bureau of law by city council in April 1948. His name appears as an assistant city solicitor, however, on the letterheads of City Solicitor C. Wilson Austin.

Minker, described by the probers as a former prohibition law violator who became a successful businessman, operating in a number of legitimate enter-

prises, resides in a handsome stone dwelling in the Forest Hills section of Hampden Heights.

TWO NAMED IN SUIT

Fudeman's name was linked with that of Minker during litigation in the Berks court more than a year ago, when Edward A. Reider, Reading contractor, filed a \$14,000 suit against the Brighton Realty Co., of which both men are officers.

Reider claimed that Minker and Fudeman owed that amount as the remainder due in payment for the construction of a three-story addition to the Truckers Association Building at 113 North Eighth Street, next door to city hall. Fudeman is listed in the city directory as a fruit broker.

Later the action was marked "Settled, discontinued, and withdrawn" on the records of Prothonotary George S. Miller.

Minker's first involvement in the courts occurred in Berks County in 1929, when he was sentenced to 2 to 3 years in the Eastern Penitentiary after he was convicted of perjury in connection with testimony given at an aldermanic hearing. Later he was pardoned by Governor Fisher.

Indicted with 62 others as a member of an alcohol-diverting ring near Scranton in 1935, Minker was sentenced to 22 months in the Federal penitentiary and fined \$7,500.

JAILED AT LEWISBURG

While serving a sentence of 15 months in the Federal penitentiary at Lewisburg for participation in a Baltimore postrepeal liquor conspiracy, Minker was taken to Philadelphia and fined \$250 by Judge William H. Kirkpatrick on a charge of defrauding the Government out of \$250 in beer stamps.

In 1938 Minker was acquitted by a Federal jury in Philadelphia of another charge of defrauding the Government of alcohol taxes. At that time he was one of 91 persons who were indicted for conspiracy to defraud the Government in the operation of a four-State \$20,000,000 liquor syndicate.

A number of times during the prohibition era Minker also was arrested on liquor-law violations in Berks County, but each time the charges were eventually dismissed.

Although Reading has always been considered Minker's home, he has lived in New York, Philadelphia, and Allentown—wherever his current business interests happened to be located.

SOUGHT NATURALIZATION

Minker had applied for the pardon from prison in 1929 because, he said, he wanted to apply for United States citizenship. Whether Minker, who was born in Russia, ever obtained his naturalization papers is not known.

At the time he was convicted of perjury he lived at 818 Elm Street and was then already engaged in the produce business. Four men threatened him in what was termed a "bootleg war" and shot at him. He began a prosecution but failed to press the charge, and in connection with the testimony he gave at the alderman's hearing, he was convicted of perjury.

Upon his release from prison Minker lived for a time in Philadelphia, where he engaged in the clothing-manufacturing business and built several homes and apartment houses.

BUILT ALLENTOWN THEATER

Later he built three theaters in Allentown, and for a time little was heard about him in the Reading area. Several years later he moved back to Reading and bought a home. Then in June 1935 his name entered the news again when Federal prohibition agents descended upon his home and took him into custody.

During a number of years that followed Minker was in and out of jail for liquor-law violations. In 1940 he was arrested by the Federal Bureau of Investigation in New York City on charges of attempting to dispose of a \$5,000 United States Treasury bond which the FBI said was stolen in Minneapolis. He was taken into custody but a Federal judge refused to jail Minker as a parole violator on the ground that evidence against him had been obtained illegally.

LAST BRUSH IN 1944

Records show that Minker's last brush with the law was in 1944, when he was held in \$300 bail as a material witness after a raid on a "massage parlor" in Philadelphia which police said was a disorderly house.

While Minker was running afoul of the liquor laws, Kreitz reportedly was building up a slot-machine empire. In March 1948 he was indicted by a Federal grand jury for income-tax evasion. He served a 60-day sentence in Federal detention headquarters in New York City.

CLUB DRAWS PADLOCK

Two years later, in November 1950, the home of the VVV Athletic Association at 1243-1245 Moss Street, allegedly owned by Kreitz, was padlocked by the Internal Revenue Bureau. The action was taken because of Kreitz' failure to pay \$125,000 in back taxes, plus penalties, according to authorities.

It was said that the Moss Street building was padlocked to secure Kreitz' assets in Reading. Kreitz, who is listed in the city directory as a farmer and who formerly lived at 1324 North Eleventh Street, for a number of years has been operator of Dreamland Park, along the Pricetown Road.

Investigators said that at the present time Kreitz is a man "without visible means of support, but lives well."

[From the Reading (Pa.) Eagle, June 13, 1951]

MRS. ABRAHAM MINKER SUBPENAED—SHERIFF WERT ALSO RECEIVES UNITED STATES SUMMONS—MOST OF THOSE CALLED AGREE TO OFFER THEIR RECORDS HERE

The second Reading woman to come under the scrutiny of the United States Senate Crime Investigating Committee was named today when Mrs. Verna C. Minker, 45, attractive wife of Abraham Minker, reputed racket lord, was subpoenaed to appear before the investigators.

She was the twenty-first person to be summoned as it became known that most of the 15 persons previously subpoenaed have agreed to surrender their personal records here rather than go to Washington for an appearance before the Federal committee at 10 a. m. tomorrow, as originally scheduled.

The subpeanaing of Mrs. Miller this morning at her home, 1711 Alsac Road, followed by 5 days the serving of a similar summons on her husband, who is president of Minker Bros., wholesale produce and fruit dealers.

MINKER VISITS OFFICE

Minker visited the office of R. P. S. McDonnell, the Crime Committee's associate counsel, in a basement office in the post office building shortly before noon today for his first interview with the investigators.

Records at the registration office in the courthouse show that Mrs. Minker was born in Pennsylvania on March 20, 1906, and that she is a registered Democrat. Her occupation is listed as a housewife who has been living at the Alsace Road address since 1942.

On Friday night a subpoena was served on Anna E. Brenner, of 184 West Green Street, identified as a bookkeeper for the Minker Bros. at their place of business, 335 North Eighth Street.

ANOTHER MAN CALLED

The list of those coming under the probing of the Senate committee grew last night with the serving of subpoenas on Sheriff Frank E. Wert, of 143 Tulpehocken Avenue, West Reading, and Arthur Bauer, of 400 Windsor Street, listed in the city directory as a real-estate operator.

Wert, a former member of the West Reading Borough Council and head of the Precast Stone Co., West Wyomissing, is a candidate for reelection as sheriff of Berks County. He is chief of the security division of the Berks County Civil Defense Council and is active in many Democratic clubs and social and fraternal organizations.

According to State police the only record on Bauer is that he was picked up for questioning about lottery activities in February 1939 but was released because of lack of evidence. Otherwise they have no other information on the man.

ORDERED TO APPEAR MONDAY

Wert and Bauer, along with Isadore Minker, brother of Abe, and Joseph M. and Earl Liever were subpoenaed yesterday with instructions to appear before the Crime Committee in Washington on Monday.

However, it is believed that they will get telegrams from McDonnell informing them to come in to see him before the end of this week in order to give them the opportunity to present their personal records to him in Reading and save themselves a trip to Washington.

Most of the 15 city and county officials and others in the first group of 15 subpoenaed visited McDonnell yesterday afternoon or this morning and were informed of the above procedure.

One of these officials disclosed that McDonnell asked them to bring in before midnight tomorrow all their personal records such as canceled checks, receipted bills, bank deposit books, property deeds, war bond listings, etc.

GRANTED EXTENSION

Because of the death in Florida of Hyman Liever, 82, father of Attorney Samuel R. Liever, one of those subpoenaed on Monday, McDonnell gave the latter a 24-hour extension in which to produce records. The funeral took place at 1 p. m., today from the Heuninger Funeral Home, with burial in Green Tree Cemetery.

Samuel, who is assistant city solicitor, is a brother of Earl and Joseph Liever.

Mayor John F. Davis and District Attorney John E. Ruth were scheduled to see McDonnell today in compliance with instructions received from the committee's associate counsel yesterday.

COUNCILMEN VISIT OFFICE

They followed other city officials who had 15-minute conferences with McDonnell yesterday. Councilmen Jerome J. Staab, J. Clinton Bach, Charles M. Stoner, and John A. Gingrich, in that order, went in and out of the office.

Chief of Police William P. Birney, Lieutenant of Detectives Albert M. Hoffman, and City Solicitor C. Wilson Austin also visited the office yesterday.

One of the officials said a stenographer was in the room to take down everything that was being said between McDonnell and the visitor. One of those questioned by McDonnell asked if a tape recording was being made and McDonnell replied in the negative.

GIVEN CHOICE

Those interviewed also were told that if they presented their records to McDonnell before midnight tomorrow they would not have to go to the committee's headquarters in Washington on Friday.

Those interviewed said they got the impression that any information or personal records they surrender to McDonnell will be checked here and that further questioning will take place if the investigators see fit to do so after the material submitted is examined.

McDonnell's office will be closed to the public tomorrow, ostensibly for the purpose of giving him and his assistant time to go over the records.

One of those subpoenaed to produce records remarked that his secretary worked into the night hunting up desired records. The difficult task of assembling them was apparent because the committee wants them as far back as January 1, 1940.

MUST KEEP IN TOUCH

It was learned that McDonnell is asking all those subpoenaed to contact him in the event they leave the city. McDonnell told them that he wants to be informed about their movements in order that they can be reached if any questions come up when their personal records are scrutinized.

Meanwhile, two organizations yesterday followed the example of the Greater Reading Council of Churches and the Ministerial Association of Reading in wiring the Crime Committee to continue its operations here.

The Reading Reciprocity Club asked Senator O'Conor to "hold open hearings to expose crime in this community related to interstate commerce or to exonerate Reading and its citizens."

The executive committee of the League of Women Voters urged the Senator to continue his committee's investigation here "in the interests of law enforcement and good government."

[From the Reading (Pa.) Times, June 27, 1951]

O'CONOR CALLS PUBLIC INQUIRY IN WASHINGTON—SENATE PROBERS REVEAL DOZEN WITNESSES CALLED INCLUDE MINKER AND KREITZ

Senator Herbert R. O'Conor, chairman of the United States Senate Crime Investigating Committee, announced yesterday that a public hearing on conditions in Reading and Berks County will be held in Washington tomorrow.

The hearing, which O'Conor said the committee hopes to complete in 1 day, will open at 10 a. m. daylight saving time, probably in the caucus room of the Senate Office Building.

A committee staff member said a number of telegrams had been sent to Reading informing persons who had been subpoenaed here previously that they will be wanted in Washington tomorrow.

The spokesman declined to disclose the exact number of persons who have been asked to come to Washington but estimated it was "somewhere around a dozen."

He did, however, name two of the persons called to Washington. They were Abraham Minker and Ralph Kreitz, who are among the 32 Reading persons under committee subpoena.

Minker and Kreitz, the only two the committee would say definitely will be asked to testify, have been described to the committee as prominent in gambling and slot-machine operations here.

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

TUESDAY, AUGUST 7, 1951

UNITED STATES SENATE,

SUBCOMMITTEE OF THE SPECIAL COMMITTEE TO INVESTIGATE

ORGANIZED CRIME IN INTERSTATE COMMERCE,

Washington, D. C.

The committee met, pursuant to call of the chairman, at 10:10 a. m., in room 457, Senate Office Building, Senator Herbert R. O'Conor (chairman) presiding.

Present: Senators O'Conor and Hunt.

Also present: Richard G. Moser, chief counsel; Rufus G. King, Jr.; Norman Polski, assistant counsel, and George H. Martin, director of information.

The CHAIRMAN. The hearing will please come to order.

At the outset I wish to announce that pursuant to a resolution of the full committee, the chairman is authorized to appoint a subcommittee to conduct this hearing and he has done so, designating the Senator from Wyoming, Mr. Hunt, the Senator from Wisconsin, Mr. Wiley, and the Senator from Maryland to constitute the subcommittee, with the usual provision that any one will constitute a quorum. We will now proceed with the hearing and the first witness, Mr. King.

Mr. KING. Mr. Size, Mr. Joseph Size.

The CHAIRMAN. Will you raise your right hand, please. In the presence of Almighty God do you swear that the testimony you shall give shall be the truth, the whole truth, and nothing but the truth?

Mr. SIZE. I do.

TESTIMONY OF PATRICK JOSEPH SIZE, SCRANTON, PA., ACCOMPANIED BY CHARLES E. FORD, ATTORNEY, WASHINGTON, D. C.

The CHAIRMAN. Will you give your full name, please, Mr. Size?

Mr. SIZE. Patrick Joseph Size.

The CHAIRMAN. And it is spelled?

Mr. SIZE. S-i-z-e.

The CHAIRMAN. Yes. Will you have a seat, Mr. Size. And your address, Mr. Size?

Mr. SIZE. 1214 Monsey Avenue, Scranton, Pa.

The CHAIRMAN. You are represented by counsel, are you?

Mr. SIZE. Mr. Ford.

The CHAIRMAN. Mr. Ford, you are representing Mr. Size. Would you be good enough just for the record to give your name?

Mr. FORD. My name is Charles E. Ford, F-o-r-d. My office address is 416 Fifth Street NW., Washington, D. C.

The CHAIRMAN. Mr. Size, could I ask you please, and Mr. Ford, will you be good enough to cooperate, to have the witness respond in as loud a voice as possible while he is a witness, to avoid any necessity for repeating questions. Thank you very much. Will you proceed, please?

Mr. KING. Mr. Size, in the subpoena that was served upon you, you were requested to produce certain records and documents. Do you have those with you?

Mr. SIZE. I do. I have the records with me.

Mr. KING. May we have them?

Mr. FORD. At this time he desires to assert his constitutional privilege. He has brought the records with him. He wants to assert his privilege as to disclosing the contents thereof or any part thereof.

The CHAIRMAN. Are we to understand, Mr. Ford, that he declines to present them?

Mr. FORD. He declines to disclose their contents. He is here with them. I divide the proposition into two things. He obeys the subpoena and brings them. It is only as to disclosure of the contents.

The CHAIRMAN. Obviously they are of no use to us if he keeps them concealed, and my question is whether or not he does decline to produce them and present them for the consideration of the committee?

Mr. FORD. Yes, sir.

The CHAIRMAN. He does so?

Mr. FORD. Yes, sir.

Mr. KING. Mr. Size has in his possession all the records which were requested, including the 1945 records?

Mr. SIZE. The records are here for 1945.

Mr. KING. I would point out to the witness that the year 1945 is beyond the 6-year period of limitation, and request the chair to direct that those documents be submitted.

Mr. FORD. We believe they still stay within the statute, and particularly the fraudulent statute. I had a case where the Department went back over 20 years. That is the LaFontaine case.

Mr. KING. Then the witness still refuses?

Mr. FORD. Yes, sir.

Mr. KING. To submit any of the information?

Mr. FORD. Yes.

The CHAIRMAN. Counsel, the committee feels that in view of the circumstances as described by the counsel in propounding the question, that the witness should produce the records for the given year.

Mr. SIZE. I still desire to stand on my constitutional rights.

The CHAIRMAN. He is directed to produce them, and are we to understand that he still persists—

Mr. FORD. Yes, sir.

The CHAIRMAN. In his refusal?

Mr. FORD. Yes, sir.

The CHAIRMAN. For the reason stated?

Mr. FORD. Yes, sir.

The CHAIRMAN. That matter will be taken under consideration by the committee. Proceed, counsel.

Mr. KING. Mr. Size, how long have you resided in Scranton?

Mr. SIZE. All my life, 59 years.

Mr. KING. And what is your occupation?

Mr. SIZE. I refuse to answer that question on the grounds it might tend to incriminate me.

Mr. KING. You refuse to disclose any facts relating to your occupation during your entire residence in Scranton?

Mr. SIZE. Yes, I do.

Mr. KING. Is the offense you have in mind, Mr. Size, a Federal or State offense?

Mr. SIZE. Federal; Federal, I said. I had a frog in my throat.

The CHAIRMAN. Mr. Size, let me ask this. Have you in the past 20 years been engaged in any legitimate occupation?

Mr. SIZE. I decline to answer that question on the grounds it may tend to incriminate me.

The CHAIRMAN. Do you contend it would incriminate you to answer that you have been engaged in something legitimate and lawful?

Mr. SIZE. I still stand on my constitutional rights.

Mr. KING. Mr. Size, this committee has concluded a painstaking study of the lottery business. We are primarily interested in gaining information about that business. Do you have knowledge of any lotteries that are conducted within the State of Pennsylvania solely on an intrastate basis?

Mr. SIZE. I decline to answer that question.

The CHAIRMAN. Let me ask this, Mr. Size. . Have you any knowledge or information as to the conduct of lotteries by other people in which you were not a participant?

Mr. SIZE. I refuse to answer that question on the grounds it might tend to incriminate me.

The CHAIRMAN. You understand, do you, that my question is directed to something in which you are not involved, and is directed exclusively to operations by others than yourself? Do you understand the question?

Mr. SIZE. Yes.

Mr. FORD. May he have that clarified a little bit?

The CHAIRMAN. Yes, indeed.

Mr. FORD. Toward the end there, meaning, does he have that knowledge by reason of his own occupation?

The CHAIRMAN. No. I specifically stated that my question was directed to the operation of any lottery or gambling activity by others than himself in which he, the witness, was not a participant.

Mr. SIZE. I have certain knowledge that I have read of in the newspapers.

The CHAIRMAN. You have certain knowledge?

Mr. SIZE. That I have read in the newspapers.

Mr. KING. Of the extent of the lottery operations in Pennsylvania. Can you give the committee any information on it?

Mr. SIZE. Just what I read in the newspapers.

Mr. KING. Would you state that information?

Mr. SIZE. All I did was I read in the papers about the Kefauver committee and so forth, and that is all that I know of any operations that was going on.

Mr. KING. Mr. Size, were you arrested in March of this year in the State of Pennsylvania?

Mr. SIZE. I refuse to answer that question on the grounds it might tend to incriminate me.

The CHAIRMAN. Well, that is a fact which is a matter of record we assume, if you were arrested. If you were not arrested, of course you are not incriminated by answering in the negative. If you were, it is a matter of record, so how can that tend to incriminate you when it is easily ascertained from the records?

Mr. SIZE. Because on the question of identification that is involved.

The CHAIRMAN. In other words, you dispute that the man who was arrested in March is you, and that you therefore understand there may be some mistaken identity?

Mr. SIZE. No; I don't dispute that.

The CHAIRMAN. All right, go ahead.

Mr. KING. Mr. Size, do you own a home in Scranton?

Mr. SIZE. I refuse to answer that question on the grounds it may tend to incriminate me on income matters and so forth.

The CHAIRMAN. Mr. Size, do you have any children?

Mr. SIZE. One child.

The CHAIRMAN. Name and address?

Mr. SIZE. 1214 Monsey Avenue, Scranton, Pa.

The CHAIRMAN. Name?

Mr. SIZE. Joseph.

Mr. KING. Mr. Size, do you know of Louie Cohen?

Mr. SIZE. I decline to answer that question on the grounds it may tend to incriminate me.

Mr. KING. Do you know the whereabouts of Louis Cohen?

Mr. SIZE. I decline to answer that question.

Mr. KING. Have you ever had business or social relations with Louis Cohen which would not tend to incriminate you?

Mr. SIZE. I believe that anything I may answer to that effect will tend to incriminate me, and I decline to answer.

The CHAIRMAN. Mr. Size, do you think that the mere acknowledgement, if you can make it, and if you have information which you could truthfully give that you knew such an individual, without giving any more than that, that that alone would incriminate you? That is the first question, just did you know the individual, not how you knew him or what the degree of the relationship was, but whether you knew him.

Mr. SIZE. Yes, that could lead to intend to incriminate me.

The CHAIRMAN. Proceed, counsel.

Mr. KING. Mr. Size, are you the Joseph Size who has a contract with the Western Union Co. in Scranton, Pa., for the delivery of Treasury balances?

Mr. SIZE. I decline to answer that question on the grounds it may tend to incriminate me.

Mr. KING. Do you have brothers in the Scranton area, Mr. Size?

Mr. SIZE. I decline to answer that question.

Mr. KING. I request the Chair to direct that that question be answered.

The CHAIRMAN. Yes; the Chair directs that the question be answered. Are we to understand that he persists in his refusal?

Mr. SIZE. I decline to answer the question.

The CHAIRMAN. Mr. Size, going back to the question of an arrest in the spring of this year, is it not a fact that you pleaded guilty to the charge so that there is no question about identity involved?

Mr. SIZE. I decline to answer that because I believe it involves my identity.

Mr. KING. Mr. Size, this committee has information to the effect that on every Friday for many months heretofore you have placed a series of telephone calls to an Allentown number, a Reading number, a Schuylkill Haven number, and two Wilkes-Barre numbers, always in the same sequence, and a Williamsport number on some occasions. Will you care to explain that pattern, that recurrence of telephone calls?

Mr. SIZE. I decline to answer that question on the grounds it may tend to incriminate me.

Mr. KING. Do you still have in mind a Federal offense, Mr. Size, in pleading your privilege?

Mr. SIZE. Yes.

Mr. KING. Do you know the Dende Press at Fourth and Cedar Avenue in Scranton?

Mr. SIZE. I decline to answer that question. It may intend to incriminate me.

Mr. KING. Do you know Richard Booth of Scranton, Pa.?

Mr. SIZE. I decline to answer that question on the grounds it may tend to incriminate me.

Mr. KING. Do you know James Martin of Scranton, Pa.?

Mr. SIZE. I decline to answer that question. It may intend to incriminate me.

Mr. KING. Mr. Size, how old are you, sir?

Mr. SIZE. Fifty-nine years old July 4.

Mr. KING. I should like to ask you again to tell the committee about your early business career activities in which you engaged when you were a young man, and I would point out to you there are only three types of Federal crime which would be indictable covering that period.

Those crimes involving treason, murder, and rape under certain circumstances.

Mr. FORD. May he have the period that you desire to cover, particularly whether you desire to cover when he was a juvenile up to the time he was 21?

Mr. KING. The committee is interested in Mr. Size's business career in the city of Scranton beginning upon his entering the business world.

Mr. SIZE. I decline to answer that question on the ground it may tend to incriminate me.

Mr. FORD. May he add to that the explanation that it may be the basis of setting up a net-worth statement by the Internal Revenue.

Mr. KING. Mr. Size, have you been arrested in Utica, N. Y.?

Mr. SIZE. I decline to answer that question on the grounds it may tend to incriminate me.

Mr. KING. Have you been arrested in Newark, N. J.?

Mr. SIZE. I decline to answer that question on the grounds it may tend to incriminate me.

Mr. KING. The same question for Pittsburgh, Pa.

Mr. SIZE. The same declaration.

Mr. KING. The same question for Albany, N. Y.

Mr. SIZE. The same declaration.

Mr. KING. Mr. Size, from your long knowledge of the Scranton community, can you tell the committee of criminal activities in or

around the Scranton area to your knowledge which would not incriminate you?

Mr. SIZE. No, I cannot.

Mr. KING. Do you recall such activities in the year 1914 in the area of Scranton which you can reveal without incriminating yourself?

Mr. SIZE. No; I do not recall.

Mr. KING. Nor the year 1920?

Mr. SIZE. I do not recall.

Mr. KING. Or prior to repeat?

Mr. SIZE. I don't recall.

Mr. KING. Do you have knowledge of bookmaking, horse rooms in the Scranton area which would not incriminate you to reveal to the committee?

Mr. SIZE. None that would not tend to incriminate me.

Mr. KING. Do you have knowledge of your activities with others in connection with prostitution in the Scranton area which would not tend to incriminate you?

Mr. SIZE. None that would not intend to incriminate me.

The CHAIRMAN. Mr. Size, I would like to ask you what information you have regarding the seizure by the State police of 276,000 unstapled tickets used or possible of use in lottery operations.

Mr. SIZE. I refuse to answer that question on the ground it may tend to incriminate me.

The CHAIRMAN. Mr. Size, do you know the location of the Scranton Printing Co. at 407 Penn Avenue?

Mr. SIZE. Yes.

The CHAIRMAN. Have you had dealings with them, with that concern?

Mr. SIZE. I decline to answer that question on the grounds it might intend to incriminate me.

The CHAIRMAN. What information if any have you concerning the ownership of 720,000 printed but uncut tickets for a period from October 29, 1950, and in the future which had been printed at the Scranton Printing Co.?

Mr. SIZE. I decline to answer that question on the grounds it may intend to incriminate me.

Mr. KING. Mr. Size, do you have knowledge of lottery operations in other States which you can reveal to the committee without incriminating yourself?

Mr. SIZE. None except those that may incriminate me.

Mr. KING. Do you know Mr. Stacium of 210 West Nineteenth Street, New York?

Mr. SIZE. I decline to answer that question on the grounds it may tend to incriminate me.

Mr. KING. Do you know William Size?

Mr. SIZE. Yes.

The CHAIRMAN. Counsel, so the record is clear we wish you to know that the witness is directed to answer each of the previous questions, and rather than have needless repetition, he persists in his refusal, are we to understand, on the grounds that you have cited?

Mr. FORD. Yes, sir; and it can be understood that he understands that after his refusal the committee has ordered him to answer, so the record is clear.

Mr. KING. Do you have any business relationship with William Size?

Mr. SIZE. None other only that he is a brother, and I refuse to answer any other questions as it may tend to incriminate me.

Mr. KING. Did you state that you do not have business relations, except that he is your brother?

Mr. SIZE. No other business, only as a brother.

Mr. KING. Do you have any business relations with your brother Gregory Size, Greg Size?

Mr. SIZE. I decline to answer that question on the grounds it may tend to incriminate me.

Mr. KING. In other words, you stated that you do not have business relations with William Size but you decline to reveal your relationship with Greg Size?

Mr. SIZE. I admit that they are my brothers, but I do decline to answer any questions that may intend to incriminate me as far as that goes, as far as business goes.

Mr. KING. Is Micheal Size also your brother?

Mr. SIZE. Yes.

Mr. KING. Do you know what the Imperial Lottery is?

Mr. SIZE. I decline to answer that question on the grounds it may incriminate me.

The CHAIRMAN. Senator Hunt, any questions?

Senator HUNT. No.

The CHAIRMAN. No further questions.

Reference has been made to one Louis Cohen. We now call Louis Cohen.

(No response.)

The CHAIRMAN. There is no response. The subpoena has been issued for Louis Cohen, and the committee wishes to make known that it is desirous of having him appear and that every effort will be continued to produce him.

I should also like to announce that the witness who was just put on the stand will be continued under subpoena and may be called subsequently.

Next witness?

Mr. KING. Jimmy Mack.

The CHAIRMAN. Would you raise your right hand, please? In the presence of Almighty God do you swear that the testimony you give shall be the truth, the whole truth, and nothing but the truth?

(The witness nodded affirmatively.)

TESTIMONY OF JAMES MACK, WILKES-BARRE, PA.

The CHAIRMAN. Your full name, please?

Mr. MACK. Jimmy Mack.

The CHAIRMAN. Spelled?

Mr. MACK. M-a-c-k.

The CHAIRMAN. And your address?

Mr. MACK. 525 South Main Street.

The CHAIRMAN. Would you repeat that and would you mind talking right into the microphone.

Mr. MACK. 525 South Main Street.

The CHAIRMAN. 525 South Main Street. Mr. Mack, may I ask you to talk just a little more slowly and distinctly, please, while you are on the stand, and loud so we can all hear you.

Mr. MACK. 525 South Main Street.

The CHAIRMAN. Thank you very much. All right, Counsel.

Mr. KING. Mr. Mack, in the subpoena served on you, you were ordered to produce certain documents and records for the committee. Do you have those in your possession?

Mr. MACK. Yes.

Mr. KING. Will you submit them to the committee?

Mr. MACK. Yes; I got some of them.

Mr. KING. Will you produce them please?

Mr. MACK. Yes.

Mr. KING. Mr. Mack, are you known by other names than Jimmy Mack?

Mr. MACK. Vincense Macaroni.

Mr. KING. Which is your legal name?

Mr. MACK. James Mack.

Mr. KING. And how long have you resided in Wilkes-Barre?

Mr. MACK. Oh, about 27 years, 26 years.

Mr. KING. What is your occupation, Mr. Mack?

Mr. MACK. I used to be bartender before; tend a bar.

Mr. KING. A bartender?

Mr. MACK. Yes.

Mr. KING. And when was that?

Mr. MACK. Oh, that's 1932, 1933, 1934.

Mr. KING. And after you were a bartender?

Mr. MACK. Then I went in the juke-box business.

Mr. KING. The juke-box business?

Mr. MACK. Yes.

Mr. KING. And you are presently in the juke-box business?

Mr. MACK. Just now, yes.

Mr. KING. Is that your only other activity in Wilkes-Barre?

Mr. MACK. Yes.

Mr. KING. Do you own any slot machines, Mr. Mack?

Mr. MACK. Slot machines; a few.

Mr. KING. You own a few slot machines?

Mr. MACK. Yes.

Mr. KING. Do you own pinball machines?

Mr. MACK. Yes.

Mr. KING. Are you acquainted with the numbers business in Wilkes-Barre?

Mr. MACK. A little; yes.

Mr. KING. Are you active in the numbers business?

Mr. MACK. Yes.

Mr. KING. And at the present time you own a novelty shop?

Mr. MACK. Yes.

Mr. KING. That is in connection with the juke-box business?

Mr. MACK. Yes.

Mr. KING. Now would you describe for the committee very briefly the numbers business in which you participate?

Mr. MACK. Well, the numbers business is very small business.

The CHAIRMAN. Mr. Mack, will you just talk a little more slowly and distinctly, please.

Mr. MACK. I mean the city of Wilkes-Barre is not much of a numbers business. There are only a couple of blocks, I may probably pick up 50, 60 dollars a day from most of the colored people.

Mr. KING. Would you explain how that operates, Mr. Mack?

Mr. MACK. How?

Mr. KING. Yes.

Mr. MACK. Well, only thing it operates, they pick up a number, they write it down. In case they win we pay the following day.

Mr. KING. And what determines the winning number?

Mr. MACK. What's that?

Mr. KING. What determines the winning number?

Mr. MACK. What do you mean?

The CHAIRMAN. Where do you get the number?

Mr. MACK. Oh, in the paper, we look up in the paper the following day.

The CHAIRMAN. Treasury?

Mr. MACK. No; in the newspaper. Figure the race forms.

The CHAIRMAN. The race forms?

Mr. MACK. Yes.

Mr. KING. Do you have employees in this business; do you have runners?

Mr. MACK. No.

Mr. KING. You handle it all yourself?

Mr. MACK. Yes.

Mr. KING. People come to your premises and bet on numbers, and come to your premises—

Mr. MACK. Yes, some come in; yes.

Mr. KING. Now do you lay off these bets? Do you bet with someone else in that area?

Mr. MACK. No, they don't bet too much money, only bet maybe 15 cents, 20 cents. It ain't such big bets. I don't lay off.

Mr. KING. Have you ever engaged in the numbers business more extensively than you are at present, on a larger scale?

Mr. MACK. No.

Mr. KING. Have you had a bigger numbers business?

Mr. MACK. No.

Mr. KING. Do you know of other people in Scranton also in the numbers business?

Mr. MACK. If I know they have a numbers business?

Mr. KING. Do you know other numbers operators?

Mr. MACK. No; I don't know.

Mr. KING. You are the only one?

Mr. MACK. In Wilkes-Barre.

The CHAIRMAN. You certainly know whether—

Mr. MACK. You mean in Scranton?

The CHAIRMAN. Yes.

Mr. MACK. Yes, I know some people in Scranton, certainly.

Mr. KING. Some people who are operating numbers?

Mr. MACK. Yes.

Mr. KING. Do you also know people in Scranton who are operating lotteries?

Mr. MACK. No; I don't.

Mr. KING. Do you know of any lottery operations in—

Mr. MACK. No, I don't.

Mr. KING. I meant to say Wilkes-Barre.

Mr. MACK. No.

Mr. KING. Have you been arrested in connection with your numbers activities, Mr. Mack?

Mr. MACK. Never.

Mr. KING. Have you ever been arrested?

Mr. MACK. Never. I've been arrested on suspicion.

Mr. KING. On suspicion?

Mr. MACK. Yes.

Mr. KING. For what?

Mr. MACK. I think one time in Pittston I was picked up. They took me down on suspicion.

Mr. KING. On suspicion of what?

Mr. MACK. I don't know. They picked me up, took me down, and left me go.

Mr. KING. That is the only time?

Mr. MACK. That's the only time.

Mr. KING. Does the operation of the numbers game in Pennsylvania, is that a violation of Pennsylvania law?

Mr. MACK. What's that?

Mr. KING. Do you know whether operating a numbers game in Wilkes-Barre constitutes a violation of Pennsylvania law?

Mr. MACK. No, I don't.

Mr. KING. Have you ever been ordered to stop by the local enforcement officials?

Mr. MACK. No.

Mr. KING. And you conducted this numbers operation continuously for how long, Mr. Mack?

Mr. MACK. Oh, about 3 or 4 years.

Mr. KING. Three or 4 years.

The CHAIRMAN. Just let me ask a question there. Mr. Mack, how many different people play with you?

Mr. MACK. Well, there's people; I don't know how many people; I don't know.

The CHAIRMAN. I just would like to have an idea of the total number.

Mr. MACK. Well, maybe probably 75, 80 people, 60 people, maybe 20, I don't know.

The CHAIRMAN. And in the course of a week how many different people would play with you?

Mr. MACK. I don't know.

The CHAIRMAN. Do you think 75 or a hundred?

Mr. MACK. Maybe a couple of hundred; I don't know.

The CHAIRMAN. So a couple of hundred people in Wilkes-Barre knew you were operating, but the police didn't do anything about it?

Mr. MACK. I don't know.

The CHAIRMAN. Didn't the police know?

Mr. MACK. Maybe they don't know.

The CHAIRMAN. Maybe they don't know. A couple of hundred people knew though; but you want us to believe the police did not know. What do you have to say about that?

Mr. MACK. I don't know.

Mr. KING. I believe you said that you took 50 or 60 dollars a day from this numbers business. Is that from—

Mr. MACK. What?

Mr. KING. I believe you stated in the record that you received 50 or 60 dollars a day from operating this numbers business. Is that from 20 to 70 players?

Mr. MACK. Yes.

Mr. KING. People play a dollar?

Mr. MACK. No; 15 cents, 20 cents, 25 cents maybe.

Mr. KING. Well, then it would seem on the record that if you are grossing that much you must have more players than that.

Mr. MACK. Well, I don't know how many players I got. I don't know. I can't answer that.

Mr. KING. You conduct this business from your premises?

Mr. MACK. Yes.

Mr. KING. You have no runners; no one working for you?

Mr. MACK. Yes, some people; they go out and pick up.

Mr. KING. Oh, you do have runners?

Mr. MACK. Yes.

Mr. KING. How many runners do you have?

Mr. MACK. About two or three I guess.

Mr. KING. Two or three. And are they employed by you?

Mr. MACK. No; they work on a commission.

Mr. KING. On a commission basis. Well, now will you make the record straight. Your income from this operation is 50 or 60 dollars a day, and the number of people who play the numbers with you varies from 20 to 70 players a day, and that you know of your own knowledge?

Mr. MACK. I can't understand that.

Mr. KING. Mr. Mack, do you know Louis Cohen?

Mr. MACK. No, I don't.

Mr. KING. Do you know of Louis Cohen?

Mr. MACK. I heard of him, but I don't know him.

Mr. KING. You have never met him?

Mr. MACK. No.

Mr. KING. You have never had any business dealings or social contacts with him?

Mr. MACK. No.

Mr. KING. You don't know Mr. Cohen's whereabouts at the present time?

Mr. MACK. No, I don't.

Mr. KING. Will you tell the committee briefly where these slot machines that you own are being operated, Mr. Mack?

Mr. MACK. They haven't been operated.

Mr. KING. They are not being operated. How long since they have been operated?

Mr. MACK. Oh, quite a while.

Mr. KING. You have now 10 or 12 slot machines. Did you have more?

Mr. MACK. No.

Mr. KING. You have never had more than 10 or 12. When you did operate them where were they operated?

Mr. MACK. Outside the city; in the township.

Mr. KING. In bars?

Mr. MACK. No.

Mr. KING. Or clubs?

Mr. MACK. Clubs.

Mr. KING. In private clubs. Did you ever have them seized?

Mr. MACK. Have what?

Mr. KING. Did you ever have the slot machines seized by the police; taken by the police from you?

Mr. MACK. I don't know that question. I can't answer that question. I don't know.

Mr. KING. You have never lost any. You have had 10 or 12 and you have never lost any?

Mr. MACK. No.

Mr. KING. How long have you had these machines, Mr. Mack?

Mr. MACK. They was never operated much. They never was operated much.

Mr. KING. You never operated them much. You have owned 10 or 12 machines for a long time?

Mr. MACK. Yes. Not too long.

Mr. KING. Well, when did you acquire them?

Mr. MACK. Huh?

Mr. KING. When did you get them?

Mr. MACK. Oh, 2 or 3 years ago.

Mr. KING. Two or three years ago, and how long since have they been operating?

Mr. MACK. Oh, they have been operating maybe half on, you know.

Mr. KING. Half the time. You operate them for a while and then you take them off for a while. Why do you do that?

Mr. MACK. I don't know.

Mr. KING. Is it because sometimes the police allow it and sometimes they do not?

Mr. MACK. I can't answer that question. I don't know.

Mr. KING. You can't answer the question. But you operate them sometimes and you take them in sometimes and you don't know why?

Mr. MACK. Yes.

The CHAIRMAN. Why do you take them in?

Mr. MACK. Well, I don't know.

The CHAIRMAN. Why do you stop and let up on them?

Mr. MACK. Sometimes the people that has the location, they don't want them.

The CHAIRMAN. People don't want them?

Mr. MACK. On their premises.

The CHAIRMAN. Do you ever get the word that the police are going to close down?

Mr. MACK. Never.

The CHAIRMAN. Have you felt free to operate all the time so far as the police were concerned?

Mr. MACK. No.

The CHAIRMAN. Have the police bothered you at all?

Mr. MACK. They never bothered certainly because I was in business.

The CHAIRMAN. Apparently you must have felt free to operate.

Mr. MACK. No; I was never free.

The CHAIRMAN. They did not give you any trouble?

Mr. MACK. No.

Mr. KING. Do you own a car, Mr. Mack?

Mr. MACK. Yes.

Mr. KING. Is it registered in your name?

Mr. MACK. Yes.

Mr. KING. Do you own a home in Wilkes-Barre?

Mr. MACK. Huh?

Mr. KING. Do you own a home in Wilkes-Barre?

Mr. MACK. Yes.

Mr. KING. And other property?

Mr. MACK. One property I own.

Mr. KING. One property besides your home?

Mr. MACK. Yes.

Mr. KING. Can you tell me how many juke boxes you have? Do you sell those or put them out on locations?

Mr. MACK. Oh, I don't know just how many. About 30 or 40.

Mr. KING. Thirty or forty which are placed in various spots?

Mr. MACK. In locations, barrooms and restaurants.

The CHAIRMAN. Mr. Mack, I would like to ask you again whether you have not had dealings with Louis Cohen?

Mr. MACK. No.

The CHAIRMAN. You do know that there is such a man?

Mr. MACK. I heard of him, yes.

The CHAIRMAN. Have you any more intimate knowledge than that? Haven't you seen and talked with him?

Mr. MACK. Never.

The CHAIRMAN. Never? You know who we are referring to?

Mr. MACK. Well, I heard talk about Louis Cohen, but I don't know him. I heard. Yes; I know him.

The CHAIRMAN. You what?

Mr. MACK. I know who you are referring.

The CHAIRMAN. You know who we mean?

Mr. MACK. Yes; I know who you mean.

The CHAIRMAN. What has he been engaged in up in Pennsylvania?

Mr. MACK. Who is that?

The CHAIRMAN. Louis Cohen. What does he do?

Mr. MACK. Well, you people say the ticket business. I don't know.

The CHAIRMAN. From what you know, he is engaged in the numbers game?

Mr. MACK. I mean that's what they say. That's what I just heard even today, who is this Louis Cohen.

The CHAIRMAN. It is more or less common knowledge, isn't it?

Mr. MACK. I mean you heard people talk about it.

The CHAIRMAN. And in what places has he been engaged according to the information you have gotten?

Mr. MACK. That I don't know. I just heard people talk.

The CHAIRMAN. So far as you hear?

Mr. MACK. What I hear.

The CHAIRMAN. Where in Scranton, Wilkes-Barre?

Mr. MACK. Well, I don't know where he operates. I don't even know.

The CHAIRMAN. Well, you say that the rumor is around that he is engaged in the numbers business, isn't he?

Mr. MACK. In Treasury tickets.

The CHAIRMAN. In Treasury tickets?

Mr. MACK. Yes.

The CHAIRMAN. But in what place?

Mr. MACK. Where I don't know.

The CHAIRMAN. I did not ask you that, but what is the talk about that as to where he is doing business?

Mr. MACK. I couldn't answer. I don't know where he does business. I don't know where.

The CHAIRMAN. And you deny that you know him?

Mr. MACK. Do I know him?

The CHAIRMAN. Yes.

Mr. MACK. Yes, I don't know him.

The CHAIRMAN. I say do you deny that?

Mr. MACK. Yes.

The CHAIRMAN. And that you have never talked to him?

Mr. MACK. Never talked to him.

The CHAIRMAN. Never had any business with him?

Mr. MACK. Never.

The CHAIRMAN. Directly or indirectly?

Mr. MACK. No, I never talked to the man.

Mr. MOSER. Did you ever talk to him on the telephone?

Mr. MACK. No, sir, never.

Mr. MOSER. Ever receive a message from him?

Mr. MACK. Never.

Mr. MOSER. Or anybody else?

Mr. MACK. No, I never.

Mr. KING. Have you played these tickets yourself in Wilkes-Barre?

Mr. MACK. What's that?

Mr. KING. Have you played the tickets? Have you bet money on the tickets yourself?

Mr. MACK. Bet?

Mr. KING. Yes.

Mr. MACK. No.

Mr. MOSER. He means on the Treasury lottery. Did you ever bet on the Treasury lottery?

Mr. MACK. No.

Mr. KING. Have you seen other people buying them or betting on them in Wilkes-Barre?

Mr. MACK. No.

Mr. KING. Mr. Mack, do you know Detective Sgt. Charles Hartman, of the State troopers?

Mr. MACK. Hartman?

Mr. KING. Charles Hartman.

Mr. MACK. I think I know him. I heard of him.

Mr. KING. Have you met him?

Mr. MACK. Yes; I met him a couple of times. I know him.

Mr. KING. Have you ever had business transactions or business relations with him?

Mr. MACK. Never.

Mr. KING. Do you remember meeting him in February of 1951?

The CHAIRMAN. Answer out loud.

Mr. MACK. No; never.

Mr. KING. Did you know him in February of 1951?

Mr. MACK. Oh, I knew him before that.

Mr. KING. You knew him before that, but in February of 1951 you don't recall—

Mr. MACK. Never talked to the man.

Mr. KING. Meeting him at all?

Mr. MACK. No.

Mr. KING. Or discussing—

Mr. MACK. Never discussed anything with him.

Mr. KING. No discussion. Isn't it a fact that you represented to Detective Sgt. Hartman that you were representing Mr. Louis Cohen about that time?

Mr. MACK. Never.

Mr. KING. That you made statements to him about the pendency of the investigation there?

Mr. MACK. Never.

Mr. KING. Do you know of horse rooms in the Wilkes-Barre area?

Mr. MACK. If I know?

Mr. KING. Are there horse rooms where you can bet money on horses in the Wilkes-Barre area?

Mr. MACK. No; I don't.

Mr. KING. You have no knowledge of that. You have never seen a horse room or heard people discuss it?

Mr. MACK. Yes; I heard people betting.

Mr. KING. I see; but you have never seen one or been in one?

Mr. MACK. Yes; I've been in.

Mr. KING. You have been in a horse room?

Mr. MACK. Yes.

Mr. KING. How many horse rooms are there in Wilkes-Barre?

Mr. MACK. None, just now.

Mr. KING. Just now. They have been closed how long?

Mr. MACK. I don't know. Maybe about a year or so I guess; 6 months. I don't know.

Mr. KING. No more questions.

The CHAIRMAN. All right, that is all. Next witness.

Mr. KING. The next witness is Captain McElroy of the Pennsylvania State Police.

The CHAIRMAN. In the presence of Almighty God do you swear the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. McELROY. I do.

TESTIMONY OF HARRY E. McELROY, CAPTAIN, PENNSYLVANIA STATE POLICE

The CHAIRMAN. Now, Captain, will you be good enough to give your full name?

Mr. McELROY. Harry E. McElroy.

The CHAIRMAN. And, Captain, will you state just what your position is?

Mr. McELROY. I am captain and director of the bureau of criminal identification and information, Pennsylvania State Police, Harrisburg.

The CHAIRMAN. And, Captain, for what period of time have you been connected with the department?

Mr. McELROY. Thirty-four years.

The CHAIRMAN. And will you just briefly state in what positions you have served?

Mr. McELROY. Well, I served from private on up to captain.

The CHAIRMAN. And you mentioned particularly about the bureau of identification. Has your work been confined to that in recent years?

Mr. McELROY. Since 1934.

The CHAIRMAN. In what particular part of the State, if any, have you given special attention in recent years? Have you devoted your attention particularly to any one or more sections?

Mr. McELROY. Well, no, sir. The whole State.

The CHAIRMAN. The whole State. I see. All right, Mr. King, proceed please.

Mr. KING. Captain McElroy, you have been active in connection with the lottery and Treasury game in the Scranton area in connection with raids there and also elsewhere in the State, have you not, recently?

Mr. McELROY. Yes.

Mr. KING. The committee would like to hear from you, Captain McElroy, a brief description of the lottery operations in the State of Pennsylvania and the Treasury balance lotteries as distinguished from the numbers game.

Mr. McELROY. Well, with the lotteries you have two kinds. I mean by that independents and what we call a syndicate. That is on the lotteries. Now on the numbers that is a pick-up affair any place at all.

Mr. KING. Those are local?

Mr. McELROY. Mostly, yes, sir.

Mr. KING. But the lottery operations are State-wide?

Mr. McELROY. That is right.

Mr. KING. These are Treasury balance lotteries?

Mr. McELROY. Yes.

Mr. KING. Now how many independent Treasury balance lotteries are there in the State, Captain?

Mr. McELROY. Independents, possibly six.

Mr. KING. And the syndicate is one?

Mr. McELROY. One.

Mr. KING. One organization. Captain, who heads the syndicate?

Mr. McELROY. From all information obtained, it is Lou Cohen.

Mr. KING. Can you estimate in very rough figures the gross revenue of an average independent Treasury balance lottery in the State of Pennsylvania?

Mr. McELROY. For how long a period?

Mr. KING. For a year.

Mr. McELROY. Oh, an independent, possibly a couple million dollars.

Mr. KING. A couple of million, and what would you estimate as the income of the syndicate?

Mr. McELROY. Well, for the syndicate I would raise it up to possibly oh, say 20 million; maybe more. I wouldn't know.

Mr. KING. In other words, over \$30 million taken from the people of the State of Pennsylvania by these operations?

Mr. McELROY. I would say so.

Mr. KING. Can you tell me how one of these lottery operations is organized from the organizational point of view, that is for instance let us talk about the syndicate now. Mr. Cohen has representatives in Pennsylvania?

Mr. McELROY. Yes, sir. From what we can gather you have the State divided into districts with a manager, whatever his title might be, over that. From there on you have your agents and sellers and so on, on down.

Mr. KING. These are full-time employees?

Mr. McELROY. Oh, yes, mostly. Now some, the sellers perhaps only part time.

The CHAIRMAN. Capain McElroy, right there could I ask you just a word about the Louis Cohen operation. You have stated in response to a question that the operation of one or others was State-wide. Do you know whether Cohen went outside the State also?

Mr. McELROY. From all information that I have received, it is outside of the State also.

The CHAIRMAN. He operates interstate?

Mr. McELROY. Yes.

Mr. CHAIRMAN. Thank you.

Mr. KING. These Treasury tickets then after they come they are printed and distributed through the organization. They are actively sold on the streets by cigar stores and runners. Is that how they reach the public?

Mr. McELROY. Yes, sir.

Mr. KING. Is Mr. Cohen a resident of Pennsylvania?

Mr. McELROY. From what I can understand, he is not. He is a part-time resident.

Mr. MOSER. Where does he reside the rest of the time, Captain?

Mr. McELROY. From information I obtained, he is in Florida.

Mr. MOSER. You mean he moves around from State to State?

Mr. McELROY. In summertime he has a summer home up in the Poconos in Pennsylvania.

Mr. KING. Is it your belief that he conducts similar lottery operations in other States on the eastern seaboard?

Mr. McELROY. From the information I have received, he does.

Mr. KING. Any estimation of the size of the total operation, Captain?

Mr. McELROY. No, sir.

Mr. KING. Who is his principal representative in Pennsylvania?

Mr. McELROY. At the time of the recent raid we made, it was Mr Size.

The CHAIRMAN. Which Mr. Size?

Mr. McELROY. Who was a witness here previously.

The CHAIRMAN. The first witness today?

Mr. McELROY. Yes, sir.

Mr. KING. Would you describe that raid briefly?

Mr. McELROY. Well, after a long investigation we finally located a printing, stapling, practically everything connected with it, in Scranton and finally we raided him.

Mr. MOSER. Captain, you have a tendency to answer the questions sort of on a yes-or-no basis. It would be much more helpful to us if you would enlarge on what you are telling us and tell us the whole story. Will you do that?

Mr. McELROY. All right, sir. After the investigation in Scranton, we went to the district attorney, acquainted him with the facts, and with his cooperation we raided him. We confiscated a large number

of tickets, printing presses, stapling machines, everything going into the manufacture of lottery tickets.

The CHAIRMAN. Captain, when you say a large number, could you be a little bit more specific on that so that we would have an idea of the scope of the operation. Thank you.

Mr. MOSER. Go ahead, Captain.

Mr. McELROY. On March the 8th we raided the Scranton Printing Co.

The CHAIRMAN. What year?

Mr. McELROY. Nineteen hundred and fifty-one, 407 Penn Avenue, Scranton. We confiscated 720,000 printed Empire lottery tickets, 50-cent kind covering a period from October the 29th, 1951, to February 15, 1952. We had 18 force numbering machines, 32 engraved Treasury balance lottery plates. That is eight Empire backs, eight Empire fronts, eight Peoples Club backs.

Mr. KING. Rather than itemize them, Captain, perhaps you could give in summary the number of the tickets, and you confiscated a good deal of paper for printing purposes?

Mr. McELROY. Oh, yes. We had 168 lead linotype slugs for various lottery tickets. At the same time at the Blackledge Furniture & Storage Co. we confiscated perforating machines, reels of steel strapping, 28 reels of steel strapping, heaters, motors.

Mr. KING. Could you estimate the total value of what you confiscated in this one raid, Captain?

Mr. McELROY. No, sir; I couldn't.

Mr. KING. Is it very extensive though?

Mr. McELROY. Yes, sir; it is.

Mr. MOSER. Captain, is this all printing equipment that was used for printing lottery tickets?

Mr. McELROY. And the manufacture and folding and stapling of tickets; yes, sir.

Mr. KING. Captain, all these raids have been against the printers, printing operations. Would you explain to the committee why that is?

Mr. McELROY. Well, originally when we investigated lotteries, we always got the little fellow, the man that was out here selling a few tickets maybe for a living, I don't know, but we would arrest him, take him into court. Well, the grand jury might ignore the bill or he was only fined a few dollars, but it didn't stop anything. We still had it to do over, so in place of doing that we went up to the top as far as possible.

If we could get the information and the evidence on the printing plants, the stapling plants, and raid them, then we had a case and it would put the little fellow out of business automatically at least for a time, and that is what we did. The result of that was that we have conducted five raids in the past year and a half in Pennsylvania, and we confiscated millions of dollars worth of material, tickets, and so forth.

Mr. KING. Captain, there was one point I meant to ask you earlier. What is the percentage take of the operator, the big man in one of these Treasury lotteries?

Mr. McELROY. From the information I received it is about 20 percent.

Mr. KING. Twenty percent?

The CHAIRMAN. In addition, Captain, to the 20-percent take that they of course have in their favor to begin with, have you information as to their refusal to pay or of any steps they have taken to get out of paying when a player would hit with them?

Mr. McELROY. We have information that at certain times they refused to pay on a certain number, but finally they paid up.

The CHAIRMAN. For the most part you think they came through in the end?

The CHAIRMAN. But attempted apparently to avoid paying, did they?

Mr. McELROY. They tried it in certain cases; yes, sir.

Mr. MOSER. What did they do to try it, Captain?

Mr. McELROY. Well, they said it was a phony ticket or something of that nature and they wouldn't pay, but finally they paid.

Mr. MOSER. When they did not pay, did you get any complaints from the holders of the tickets?

Mr. McELROY. Oh, yes, we have gotten complaints about it, but by the time we got around to them, why that fellow, he denied everything about it because that fellow said they paid him up, so that was that.

Mr. KING. Have you ever brought charges against one of the operators of one of these lotteries, Captain?

Mr. McELROY. Have I personally?

Mr. KING. No; have the Pennsylvania police?

Mr. McELROY. Oh, yes. We have brought charges against them, the operators of them. However, you very seldom have any evidence against them because they don't take an active part in it. They don't appear. They sit behind somewhere and the money comes in to them and they don't have direct operations, and that's that.

Mr. KING. And frequently that is outside the State, as in the case of Cohen?

Mr. McELROY. Well, from what I understand, yes.

Mr. KING. In your opinion then, Captain, this is an interstate problem. This lottery operation is big enough so that you follow lines which lead you to the edge of the State and it is a problem which involves in many cases police activities in several States?

Mr. McELROY. That is correct. Now of course I do know on the Empire that the FBI is very much interested. Now of course we don't go out of the State, but they do get the information from us.

Mr. KING. Has the splendid enforcement of the antilottery statute which has been brought about in recent years helped the situation?

Mr. McELROY. I don't think so.

Mr. KING. Has it forced the operators to break up their operations?

Mr. McELROY. No, sir, I think it just made them more careful.

The CHAIRMAN. Captain, going back to the Louis Cohen experience, have you knowledge of anything done in the early part of this year by Cohen in order to avoid arrest and to avoid prosecution?

Mr. McELROY. Yes, sir.

The CHAIRMAN. Would you kindly give us in detail just what happened?

Mr. McELROY. Previous to the raid on March the 8th in 1951 in Scranton, Detective Sergeant Hartman came to headquarters in Harrisburg and talked to the Commissioner, and he states that Jimmy

Mack, the previous witness here, approached him with the proposition to lay off the racket or the lottery racket in Scranton.

The CHAIRMAN. That is to say the man who just preceded you on the stand?

Mr. McELROY. Yes, sir.

The CHAIRMAN. According to the testimony he had actually approached Sergeant Hartman?

Mr. McELROY. That is right.

The CHAIRMAN. And he gave indication he did not know or had not dealt with him here?

Mr. McELROY. That is right.

The CHAIRMAN. And according to the official report, he did approach Sergeant Hartman and made a proposition to him?

Mr. McELROY. That is correct.

The CHAIRMAN. Will you just continue?

Mr. McELROY. The Commissioner told him to string Mack along and go right ahead with the investigation. Well, of course, on a lottery investigation you have got to hit when the iron is hot. In other words, they print the tickets from 3 to 6 months ahead of time, so you got to catch them in the act.

Well, through stringing Mack along this lottery got hot and we knocked it off. Consequently there wasn't any action taken against Mack.

Mr. MOSER. Captain, what kind of a proposition did Mack make to Hartman?

Mr. McELROY. He told him it would be worth his while to lay off that lottery up there; that Cohen would fix him up.

The CHAIRMAN. Cohen would fix him up?

Mr. McELROY. Words to that effect.

The CHAIRMAN. Following that did Cohen make any contacts?

Mr. McELROY. No, sir.

The CHAIRMAN. Did anything at all occur?

Mr. McELROY. No, sir. The raid interfered.

The CHAIRMAN. How many times according to your official reports did Mack, the previous witness here today, talk with Hartman?

Mr. McELROY. Once according to Hartman.

The CHAIRMAN. And did he give him any further details as to what would be in it for him or what payment would be made?

Mr. McELROY. No, sir. He just told him if Hartman laid off the racket, why he would be taken care of by Cohen.

Mr. MOSER. Was there any discussion between Hartman and Mack as to how much might be paid?

Mr. McELROY. No; Hartman just strung him along. He wouldn't set an amount and neither would Mack.

Mr. MOSER. They did not talk about any figure at all?

Mr. McELROY. No, sir.

Mr. MOSER. But Hartman indicated perhaps he might be interested just to string him along, is that right?

Mr. McELROY. That is correct; yes, sir.

Mr. KING. Captain, these big lottery operations all depend on the Treasury balance published by the Federal Government here in Washington. Do you think that is important in terms of being an official publication? Are they trading on the prestige of the Government for certainty and so on in selling these lotteries?

Mr. McELROY. They are; yes, sir.

Mr. KING. And there are not large lottery operations done on other local numbers and local items?

Mr. McELROY. Most of them are based on the Treasury balance. However, you have got all kinds of tickets, baseball scores, football, everything, horse racing and everything else.

Mr. KING. I have no further questions.

Mr. MOSER. How are these tickets shipped around? You said that this very large number was seized in this one raid. What do you people do with the tickets? Do they just distribute them locally or are they shipped out of the State?

Mr. McELROY. I wouldn't know if they are shipped out of the State, but they are shipped all over the State.

Mr. MOSER. By what means are they shipped?

Mr. McELROY. Sometimes transported by automobiles, sometimes transported by truck.

Mr. MOSER. Are they ever sent by express?

Mr. McELROY. We have information that they were sent by express.

Mr. MOSER. Are any of them sent in the mails?

Mr. McELROY. Not that I know of. I don't believe they would.

Mr. MOSER. When they ship them by truck, do they ship a large quantity?

Mr. McELROY. Oh, yes.

Mr. MOSER. To a distributor in another town, is that correct?

Mr. McELROY. That is right.

Mr. MOSER. And then he distributes them to his customers?

Mr. McELROY. That is right.

Mr. MOSER. You say Cohen lives in Florida. Does he have any connections outside the State so far as you know with other people?

Mr. McELROY. Not that I know of. I wouldn't know.

Mr. MOSER. So far as you know, he works alone?

Mr. McELROY. As far as I know he does, unless he has his brothers. His brothers used to be in with him as I understand. Whether they still are I wouldn't know.

Mr. MOSER. What do you understand about his brothers formerly being in with him?

Mr. McELROY. The brothers used to be in on the racket. Whether they still are or not I don't know.

Mr. MOSER. Forget the fact that they may not be now and tell us about what the situation used to be as you understood it. Where do his brothers live, for instance? Where do they operate?

Mr. McELROY. They don't live in Pennsylvania, keeping in mind that we just investigate in Pennsylvania. Everything else is turned over to the FBI that meets outside of the State, and they have that information. I don't know of it.

Mr. MOSER. You don't know anything about the brothers?

Mr. McELROY. No, sir.

Mr. MOSER. I got the impression you knew something about them.

Mr. McELROY. No, sir.

The CHAIRMAN. Captain, we will excuse you unless there is something else that you know of which you think would be of interest to the committee. That is all the committee desires to ask you, but, however, before you leave we do feel that it is appropriate to say

that you and those associated with you are a credit to law enforcement.

It is very gratifying to have an officer of your integrity and standing interested in this work, and we feel that the people are indebted to you for your straightforward handling of these matters, not only in your testimony here today but in the cooperation that you have given us in the past it has been shown to the committee that you and the other officers associated with you are doing splendid work, and for it we think you are entitled to commendation.

Mr. McELROY. I thank you, sir.

The CHAIRMAN. Is there a representative of the Western Union Telegraph Co. here? Arrangements were made for Western Union to have a representative here.

If he is not here and has not arrived yet, we will go on to the next witness and call him later.

Joseph Baldassari. Will you raise your right hand?

In the presence of Almighty God, do you swear the testimony you give shall be the truth, the whole truth and nothing but the truth?

Mr. BALDASSARI. I do.

TESTIMONY OF JOSEPH C. BALDASSARI, SCRANTON, PA., ACCOMPANIED BY CHARLES E. FORD, ATTORNEY, WASHINGTON, D. C.

The CHAIRMAN. Will you state your full name.

Mr. BALDASSARI. Joseph C. Baldassari.

The CHAIRMAN. Joseph C. Baldassari. And it is spelled B-a-l-d-a-s-s-a-r-i?

Mr. BALDASSARI. Correct.

The CHAIRMAN. And your address.

Mr. BALDASSARI. Cleveland Avenue, Scranton, Pa.

The CHAIRMAN. Cleveland Avenue, Scranton, Pa. Could I ask you at the outset to be kind enough to talk into the mike. And you are represented by counsel here today, are you?

Mr. BALDASSARI. Yes, sir.

The CHAIRMAN. Mr. Ford is your lawyer?

Mr. BALDASSARI. Correct.

The CHAIRMAN. Mr. Ford, you will be available to him for any comments you wish to make.

How long have you lived in Scranton?

Mr. BALDASSARI. All my life.

The CHAIRMAN. All your life. How long is that?

Mr. BALDASSARI. Thirty-eight years.

The CHAIRMAN. Thirty-eight years. Are you married?

Mr. BALDASSARI. Yes.

The CHAIRMAN. What family do you have?

Mr. BALDASSARI. No children.

The CHAIRMAN. Any brothers and sisters?

Mr. BALDASSARI. Three brothers.

The CHAIRMAN. What are their names?

Mr. BALDASSARI. Elio, Elmo, and Henry.

The CHAIRMAN. A little slower.

Mr. BALDASSARI. Elio, Henry, and Elmo.

The CHAIRMAN. Where do they live?

Mr. BALDASSARI. Scranton.

The CHAIRMAN. All live in Scranton?

Mr. BALDASSARI. Yes, sir.

The CHAIRMAN. Now, Mr. Polski, will you proceed.

Mr. POLSKI. What business are you in?

Mr. BALDASSARI. I refuse to answer on the ground that it may incriminate me.

Mr. POLSKI. You refuse to say what business you are in at the present time?

Mr. BALDASSARI. That is right.

Mr. POLSKI. Are you connected with the Baldassari Amusement Co.?

Mr. BALDASSARI. I refuse to answer that, it may incriminate me.

The CHAIRMAN. When you went to work what job did you first take? What work were you engaged in at first?

Mr. BALDASSARI. I decline to answer on the ground that it may incriminate me.

The CHAIRMAN. Have you ever been engaged in any legitimate business?

Mr. BALDASSARI. I decline to answer that question on the ground that it may incriminate me.

The CHAIRMAN. From the time that you went to work years ago have you ever done anything lawful? Have you ever been engaged in anything legitimate and within the law?

Mr. BALDASSARI. I decline to answer on the ground that it may incriminate me.

Mr. POLSKI. Mr. Baldassari, you were asked to produce certain records here. Do you have them with you today?

Mr. BALDASSARI. Yes, sir.

Mr. POLSKI. May we see them, please?

Mr. BALDASSARI. I decline to let you view my records on the ground that it may incriminate me.

The CHAIRMAN. What records have you got with you in response to the summons?

Mr. BALDASSARI. All the records that the summons recites.

The CHAIRMAN. And do you have all those records at the present time with you here?

Mr. BALDASSARI. Yes, sir.

Mr. FORD. Would you want to disclose them in the record? They comprise two handbags full, a manila folder, and a ledger book.

The CHAIRMAN. And, counsel, without opening the bag and just so we may have an idea of just what they contain, could you be a little more specific as to just what they contain?

Mr. FORD. They contain all records regarding his income tax returns for 1945 to 1950, bank accounts, canceled checks, bank statements, records of all real and personal property held by him, either directly or indirectly, and both these bags are quite full. This manila envelope is full, and this ledger sheet is—

Mr. MOSER. Those records describe all his business activities, do they?

Mr. FORD. Yes, sir.

Mr. MOSER. In other words, his business activities are sufficiently voluminous to require records filling two full suitcases, a manila envelope, and an account book, and he refuses to reveal the nature or contents on the ground it may incriminate him.

Mr. FORD. Plus real estate which may not be in the records, plus personal property.

The CHAIRMAN. Mr. Ford, would you mind opening the bags and let us see the records? Will you put them on the table?

Mr. FORD. I can enumerate them from here.

The CHAIRMAN. Suppose you do.

Mr. FORD. This is a checkbook with all the stubs.

Mr. MOSER. For what period?

Mr. FORD. 1949, August 23, 1949, through October, 1950. This is an envelope purporting to be full of social-security records.

The CHAIRMAN. Does it indicate the period?

Mr. FORD. This envelope includes all types of bills and headings, such as a roofing company, motor-machine company, a Cadillac automobile, service-station records, amusement-machine records, radio records, a marble-supply company, all records and purchases, repairing of all kinds. That, in general, is this envelope.

Mr. MOSER. Does it relate to the employees of those businesses? You said it was social-security records; is that correct?

Mr. FORD. Yes, sir.

Mr. MOSER. And it covers the employees?

Mr. FORD. Yes, sir.

Mr. MOSER. How many employees are involved?

Mr. FORD. Average between three to six, such as mechanics, repairmen.

Mr. MOSER. Three to six in each of those enterprises?

Mr. BALDASSARI. Pardon?

Mr. MOSER. Three to six in each of the enterprises?

Mr. FORD. These cover one enterprise.

Mr. MOSER. You mean all these records cover one enterprise?

Mr. FORD. Yes.

Mr. MOSER. Three to six employees?

Mr. FORD. Yes.

The CHAIRMAN. How many different enterprises are represented by the records?

Mr. FORD. These that I have in this envelope would be one enterprise.

The CHAIRMAN. I meant the other records.

Mr. FORD. This is a large group of letters from the First National Bank of Scranton. Presumably, they include monthly statements and canceled checks.

Mr. MOSER. And what enterprises do they relate to?

Mr. FORD. The Baldassari Amusement Co.

Mr. MOSER. Baldassari Amusement Co.?

Mr. FORD. Yes.

Mr. MOSER. What period?

Mr. FORD. Well, this top one is February 5, 1943, March 1943, April 1948, May 1949, June 1948, July 1948, August 1948, September 1948, October 1948.

They also include a series of promissory notes, perhaps six in number, covering 1947 and 1948 calendar year. Other bank letters, November 1948, December 1948.

Mr. MOSER. What else is in that suitcase, Mr. Ford?

Mr. FORD. This large envelope which has written on the outside by red letters, "Payments made during 1948 by cash."

Mr. MOSER. Cash payments? What is in there?

Mr. FORD. A whole series of all types of bills.

Mr. MOSER. Receipted bills?

Mr. FORD. Yes; including printing bills, freight bills, invoices from the Pennsylvania Corp., statements from the national bank.

Mr. BALDASSARI. Notes.

Mr. FORD. Notes, they are. Coin machines, different parts of machines.

Mr. MOSER. Do these relate to the Baldassari Amusement Co.?

Mr. FORD. Many of these are listed to Joseph Baldassari himself.

Mr. POLSKI. What national bank is that?

Mr. FORD. Others to Baldassari brothers. One to Joseph Baldassari as an individual.

Mr. POLSKI. You said the national bank. What national bank is that?

Mr. BALDASSARI. Northwestern.

Mr. POLSKI. Philadelphia?

Mr. BALDASSARI. Yes.

Mr. POLSKI. All your accounts are in Scranton, but some kept out of State?

Mr. FORD. Is that a question?

Mr. POLSKI. Yes.

Mr. BALDASSARI. I refuse to answer on the ground it may incriminate me.

The CHAIRMAN. Keep your voice up, please, and talk into the microphone.

Mr. FORD. Social security returns, such as this employer's report.

Mr. MOSER. Mr. Ford, will you please explain to me why a tax return which has been filed with the Government cannot be produced on the grounds of incrimination? How can it incriminate the witness to produce a tax return which he has already filed with the Federal Government?

Mr. FORD. Because all returns by taxpayers contain memoranda and notes as to how they arrive at the results shown in the returns. Those forms filed with the Government do not always contain the detailed returns, but they contain the results.

Mr. MOSER. But they have already been filed. How can you claim he is going to be further incriminated?

Mr. FORD. The return is filed but with his copy the taxpayer keeps, he has additional information which he retains but which doesn't always go with his return; so when the revenue agent comes to him and says, "On line 10 you have a certain figures; how do you arrive at it?" He picks out his working sheets. They are maintained by the taxpayer with his copy.

The CHAIRMAN. Have you got the exact copies there of what has been filed with the Government so that there would be available to us either the carbons or the exact copies of returns filed?

Mr. FORD. Excepting that the Government does not have the returns of all taxpayers for certain years. They have been destroyed, particularly running from 1932 through 1938 and I believe either the year 1946, 1947, and 1948, the Government is not now in possession of all those returns of the taxpayers.

The CHAIRMAN. Are we to understand then that the witness elects and insists that he will not reveal certain tax returns because he is

of the belief that the Government has destroyed the originals and he is in possession of the copies and they might incriminate him to produce?

Mr. FORD. That is correct, coupled with the statement the committee made to the witness, that inasmuch as the Government has the returns it would not harm him to produce them. I cite them as one of the exceptions where the Government does not have the returns of the taxpayer.

The CHAIRMAN. But my question is directed to the question of whether he refuses to produce them because he, by producing them, might incriminate himself.

Mr. FORD. Yes, sir.

The CHAIRMAN. And in those instances where the Government's records are destroyed and his records if produced would incriminate him—

Mr. FORD. Yes. Should I give you generally some more of these items?

Mr. MOSER. I think it would be a good idea.

Mr. FORD. These are, as you see, a group of canceled checks.

Mr. MOSER. Canceled checks covering what?

Mr. FORD. Covering his bank account.

Mr. MOSER. Personal?

Mr. FORD. They are both, listed—by personal I take it you mean individually.

Mr. MOSER. Yes.

Mr. FORD. The heading is "Or Joe Baldassari." However, we don't want to mislead the committee. He also as an individual trades under a business name such as an amusement company. So for the purposes of answering we would say yes, if you construe that he is an individual running the machine company, too, the amusement company.

Mr. MOSER. The amusement company being Baldassari Amusement Co.; is that correct?

Mr. FORD. Yes, sir.

Mr. BALDASSARI. Partnership.

Mr. MOSER. The witness says—

Mr. FORD. I have just been advised, so that the committee may not be misled, it may appear as a partnership.

Mr. MOSER. It may appear as a partnership?

Mr. FORD. Yes.

Mr. MOSER. Does that mean it may appear to be but it is not or it is in fact a partnership?

Mr. FORD. I will take that as a question from the committee to the witness.

Mr. MOSER. Yes.

The CHAIRMAN. In other words, Mr. Ford, we were interested to know, so we could understand, of course, the purport and the bearing of the different records as to whether or not the Baldassari Amusement Co. is in fact a partnership.

Mr. FORD. Our answer will be, "Yes"; a partnership.

The CHAIRMAN. It is a partnership?

Mr. FORD. Yes.

Mr. MOSER. May I ask the witness who the partners are?

MR. BALDASSARI. I refuse to answer that on the ground that it may incriminate me.

Mr. FORD. These are likewise similar documents; for instance, these checks like the group I just gave you and additional sheets like sheets of these. Then in addition there are several other checkbooks with stubs and, in fact, this one has certain blank checks also still left in it, bank deposit slips, and what not.

The CHAIRMAN. Mr. Ford, there is one comment that I might make, and which may have bearing upon the response of the witness and to which possibly you are entitled to know.

If I understood you correctly, you based the refusal of the witness to produce certain records on income taxes because of the fact that the records may be the only ones in existence, that is to say, the Federal Government, according to the witness's belief and understanding, has destroyed the originals and therefore if he were to produce the copies he would thereby produce records which might incriminate him because of the absence, as he believes, of any originals by the Government.

Mr. FORD. That is one of the reasons, but there are others.

The CHAIRMAN. If I could confine it just to that one for the sake of this discussion—

Mr. FORD. Yes.

The CHAIRMAN (continuing). The reason I am making the comment is I am advised by our staff member, Mr. George Martin, the director, and others, that actually in this particular case the Government has not destroyed its records.

Now that being so, assuming that to be the case—and I am basing it on what the official information is—I just make that observation in order to see whether or not in that situation the witness desires to change his position because the belief which he has is apparently a mistaken belief and the Federal Government does have the originals.

My question is whether or not, with that statement to him, he desires to persist in his refusal to produce them because the Federal Government does have the originals.

Mr. FORD. My answer to that, Senator, is that I controvert that the Government has not destroyed the records. From 1932 to 1938 by an act of Congress, the internal revenue records of taxpayers were destroyed.

I have quite a personal and intimate knowledge of that, and I have further information obtained yesterday in another tax case I am handling regarding other years. So I am sorry and I hate that it is necessary to controvert the statement of the investigators that you have.

However, be that as it may, whether the committee has them or not, the witness stands on his constitutional right because whatever records he has may be used as a basis for starting a net worth investigation of the witness, even though they go into other years.

For instance, this morning I believe some member of the committee stated that a return for 1950 was outside the statute of limitations. That is not my knowledge of the law. The return for 1950—

Mr. POLSKI. 1945, I believe.

Mr. FORD. 1945. The return for 1945 is not due until March, 1946. The 6-year statutory period, therefore, runs from March 1946 and it is still in effect as of this date.

The CHAIRMAN. Going back to the other point, are you familiar with the practice in the Twelfth District in Pennsylvania where the returns in this case might have been filed and might be on file?

Mr. FORD. No, sir; I am not.

The CHAIRMAN. The only reason I go back to that is it is our information—and Mr. Martin has actually seen some of the returns, I am not undertaking to say the exact specific years, but some dating back are actually in existence—and my point is whether or not, with that information imported to you, whether you do desire and the witness desires to change—

Mr. FORD. He does, and there is the additional reason that if he produces his returns and makes a disclosure of them, we believe that the committee would thereby be in a position to question him about that. So that if he opens up the subject, I understand the law to be that the witness, once waiving his privilege, must continue on and answer; but that he has to assert his privilege at its initial opening. So that if he does give you his returns, the committee could then start to question him about his returns, and he would be met, be faced with, "You yourself have opened it up by furnishing the returns. These questions we are about to ask you are on the same subject."

The CHAIRMAN. Do you contend that a witness may decline to answer any questions about his financial situation 20 years ago, for example, even though according to your own statement a minute ago the statute of limitations would only cover 6 years?

Mr. FORD. Yes, sir, because if they use that as the basis and have information of 20 years ago, they can net worth him of that year and then net worth him of 1951, and when they find an unreported increase in his income, the Government can allocate it to the live years—1950, 1949, 1948, and 1947—and if the information gained 20 years ago, that permits a basic start for the net worth statement, yes, sir, I have seen that done.

The CHAIRMAN. The committee is forced to disagree with you on some of those, respectfully.

Mr. FORD. I could respectfully suggest the names of some agents that are doing it.

Mr. MOSER. I see you have a larger suitcase belonging to the witness. What is in that?

Mr. FORD. These bills, the notation is "Baldassari, paid by check, 1950."

This is another stub checkbook with the stubs and notations on it. This goes back to 1944 and goes into 1945, both years covered by him.

This is a journal which contains disbursements in 1945 regarding certain people and individuals.

These are records of 1947 regarding the Baldassari Amusement Co.

I don't know what is in here, but his accountant sealed it. Do you care to have it disclosed?

Mr. MOSER. Let's see what is in it.

Mr. FORD. There are what appear to be monthly bank statements with canceled checks included.

Mr. MOSER. Those relate to Baldassari Amusement Co., do they?

Mr. FORD. Baldassari Amusement Co., and on this one there is an additional one. I assume it is his wife, Mrs. Viola Baldassari.

Mr. BALDASSARI. That isn't my wife. My brother's wife.

Mr. FORD. His brother's wife.

The CHAIRMAN. His sister-in-law. What is the name of the wife of the witness?

Mr. BALDASSARI. Olive.

The CHAIRMAN. Olive Baldassari is his wife and Viola is his sister-in-law.

May I ask Mr. Ford whether the other records that you have there all relate to the one, either to him individually or to the amusement company's operation?

Mr. FORD. Or he jointly with his brother's wife, his sister-in-law.

The CHAIRMAN. Mr. Ford, I think that will suffice on that for the time being.

Mr. POLSKI. Mr. Baldassari, have you ever been arrested?

Mr. BALDASSARI. I decline to answer that on the ground that it may incriminate me.

The CHAIRMAN. Will you keep your voice up, please, so we may hear you without difficulty.

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. That is a matter of record, Mr. Baldassari. Anybody can look that up.

Mr. BALDASSARI. That would involve my identity.

The CHAIRMAN. In other words, you question the identity of the individual whose arrest is being inquired about?

Mr. BALDASSARI. That would involve my identity and place me at a certain place at a certain time.

Mr. MOSER. Are you trying to conceal from this committee your identity, Mr. Baldassari? I should think it would be very simple to admit who you are.

Mr. FORD. May he answer your question?

Mr. MOSER. I wish he would. May I interrupt? We have no objection to your advising your client what to say, as long as you are giving him advice, but if all you are doing is giving him the answer so that he answers it like a puppet, that is contrary to the proceedings of this committee.

Every question that we have asked him you make the answer for him. We have no objection to his consulting you and getting advice, but we do object to your furnishing him with the answer that he gives.

Mr. FORD. May I say—

Mr. MOSER. Answer the question as to whether Mr. Baldassari desires to conceal his identity from this committee.

Mr. FORD. May I advise him?

Mr. MOSER. You may.

Mr. BALDASSARI. No, I am merely standing on my constitutional rights.

Mr. MOSER. Your constitutional right. You mean you refuse to answer whether you have been arrested on the ground that it may incriminate you?

Mr. BALDASSARI. Yes, sir.

Mr. POLSKI. Did you state before, Mr. Baldassari, that you lived in Scranton all your life?

Mr. BALDASSARI. Yes, sir.

Mr. POLSKI. Have you ever been arrested in Scranton?

Mr. BALDASSARI. I assert my right.

Mr. POLSKI. What right are you asserting there, sir? You stated you lived there all your life.

Mr. BALDASSARI. On the ground that it tends to incriminate me.

Mr. POLSKI. Were you arrested on May 23, 1935, in Scranton?

Mr. BALDASSARI. I decline to answer.

Mr. POLSKI. Was that for a revenue case, internal revenue?

Mr. BALDASSARI. I decline to answer on the ground it may incriminate me.

The CHAIRMAN. Now, counsel, rather than to repeat after each question, I would like to have it understood that for the reason he is giving those same reasons they will apply to each of his refusals, and that the committee directs that he answer each and every one of the questions, and are we to understand that he persists in his refusals for those reasons?

Mr. FORD. Yes.

The CHAIRMAN. In other words, without his stating them each time, we will consider that the reasons he has given once will apply to all.

Mr. POLSKI. In connection with that 1935 arrest, you were given a 3-year sentence suspended; is that correct?

Mr. BALDASSARI. I decline to answer on the ground it may incriminate me.

Mr. POLSKI. Have you ever been in jail?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. Isn't it a matter of fact that on March 24, 1939, you were arrested for having in your possession an unregistered still and you were given a sentence of a year and a day in Lewisburg Prison?

Mr. BALDASSARI. I decline to answer on the ground that it may incriminate me.

Mr. MOSER. Mr. Baldassari, how can it incriminate you with respect to a crime for which you have been convicted and have served time? That can't incriminate you. You can't be tried again for that.

Mr. BALDASSARI. I decline to answer that on the ground that it may tend to incriminate me.

Mr. MOSER. You are claiming the privilege on the ground of the Constitution. Doesn't the Constitution also say you may not be tried twice for the same crime?

Mr. BALDASSARI. I decline to answer that, too, on the ground that that may incriminate me.

Mr. MOSER. Are you in fear of being prosecuted a second time for the same crime?

Mr. BALDASSARI. I decline to answer that.

Mr. POLSKI. Mr. Baldassari, are you familiar with the address 108 Adams Avenue in Scranton? Do you know where that is?

Mr. BALDASSARI. I believe I do.

Mr. POLSKI. You do know where it is. Do you know what is located at that address?

Mr. FORD. I am not sure we heard the question.

Mr. BALDASSARI. Say it again, please.

Mr. POLSKI. Do you know what is located at the address 108 Adams Avenue in Scranton?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. Isn't it a fact that you and your brother have a bookie service operating out of that establishment?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. What is the offense of which you are afraid? Federal or State offense?

Mr. BALDASSARI. Federal.

Mr. POLSKI. Particularly which one?

Mr. BALDASSARI. Income tax.

Mr. POLSKI. Did the offense occur more than 10 years ago?

Mr. BALDASSARI. I decline to answer that on the ground that it may incriminate me.

Mr. POLSKI. How about 5 years ago?

Mr. BALDASSARI. I decline to answer.

Mr. POLSKI. A year ago?

Mr. BALDASSARI. Decline.

Mr. POLSKI. Do you know a Mr. Pete Genello?

Mr. BALDASSARI. Decline to answer on the ground it may incriminate me.

Mr. POLSKI. How would that incriminate you, sir, knowing Mr. Genello?

Mr. BALDASSARI. Decline to answer that on the ground that it may tend to incriminate me.

Mr. POLSKI. Do you know Jimmie Fogley?

Mr. BALDASSARI. I decline to answer on the ground that it may incriminate me.

Mr. POLSKI. Do you know where Mr. Jimmie Fogley is?

Mr. BALDASSARI. Decline to answer.

Mr. POLSKI. Is your brother Al in the bookie business at that establishment?

Mr. BALDASSARI.. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. Isn't it a fact that Mr. Fogley ran out on you owing you something like \$1,700?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

The CHAIRMAN. Previously you gave your age; did you not?

Mr. BALDASSARI. Yes, sir.

The CHAIRMAN. What was that?

Mr. BALDASSARI. 38.

The CHAIRMAN. 38. When did you first go to work? Were you 18, 16, or 20, or what?

Mr. BALDASSARI. I would say, as far as I can remember, about 16.

The CHAIRMAN. About 16. So, you went to work about 22 years ago. Now, my question is whether in the 22 years you have ever been engaged in a legitimate work.

Mr. BALDASSARI. I believe the first job I had was loading coal in the mines.

The CHAIRMAN. Loading coal in the mines. How long did you work at that?

Mr. BALDASSARI. About 2 years.

The CHAIRMAN. About 2 years. So then up until 20 years ago you were then 18, if my calculations are correct. Now, in the past 20 years have you ever been engaged in a legitimate work?

Mr. BALDASSARI. I decline to answer that on the ground that that may incriminate me.

The CHAIRMAN. So, you refuse to answer any question concerning your activities in 20 years, so far as work is concerned; is that correct?

Mr. BALDASSARI. That is correct.

The CHAIRMAN. And my question, I just want to repeat it and make it very clear to you that we are asking you about your engagement in a legitimate or a lawful business, if any, in the past 20 years.

Mr. BALDASSARI. I decline.

Mr. POLSKI. Do you know Mr. Anthony Petriello?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. Do you know Mr. Fogley operated a haberdashery store in Scranton?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. You don't know if he had a haberdashery store or not?

Mr. BALDASSARI. Decline to answer.

Mr. POLSKI. I believe counsel mentioned before Mr. Baldassari has a Cadillac automobile; is that correct?

Mr. FORD. I said one of those bills was headed from a Cadillac automobile account, just identifying the document.

Mr. POLSKI. Do you have an automobile, Mr. Baldassari?

Mr. BALDASSARI. I decline to answer that on the ground that it may incriminate me.

Mr. POLSKI. You won't say whether you own an automobile?

Mr. BALDASSARI. Yes, sir.

Mr. MOSER. Mr. Baldassari, how can you decline to answer whether you own an automobile? Practically everybody in the United States owns one. How can that incriminate you?

Mr. BALDASSARI. It may incriminate me in taxes.

Mr. MOSER. Just owning an automobile?

Mr. BALDASSARI. Yes, sir.

Mr. MOSER. Mr. Baldassari, it seems to me that is highly contemptuous of this committee to refuse to answer the simple question of whether you own an automobile. How can you stand on that?

Mr. BALDASSARI. I stand on it.

Mr. POLSKI. Who is Ulysses Baldassari?

Mr. BALDASSARI. My father.

Mr. POLSKI. Your father. Was he a bondsman?

Mr. BALDASSARI. He was never in the bond business.

Mr. POLSKI. Never connected with a bonding business at all?

Mr. BALDASSARI. No, sir.

Mr. POLSKI. You are sure of that?

Mr. BALDASSARI. Positive.

Mr. POLSKI. Do you know Mr. Lou Cohen?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. Have you ever heard the name Lou Cohen?

Mr. BALDASSARI. I decline to answer that; it may incriminate me.

Mr. POLSKI. You decline to say whether you have heard the name or seen it in the newspapers anywhere?

Mr. BALDASSARI. I have heard it here today, and I have read about it.

The CHAIRMAN. Is that the first time?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. You say you have seen it in the newspaper; is that correct?

Mr. BALDASSARI. Yes, sir.

Mr. POLSKI. In what connection? What did you see in the newspapers?

Mr. BALDASSARI. That they were looking for him to be subpenaed.

Mr. POLSKI. Before this committee?

Mr. BALDASSARI. That is right.

Mr. POLSKI. Have you ever seen his name in the Scranton papers before this?

Mr. BALDASSARI. I don't remember.

Mr. POLSKI. Have you ever heard his name mentioned in talk around Scranton?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. How would that incriminate you, sir? You could hear that from anybody. You could hear his name mentioned.

Mr. BALDASSARI. I decline to answer that, sir. It may incriminate me.

Mr. POLSKI. Mr. Baldassari, did you ever own a horse?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. You decline to say whether you ever owned a horse?

Mr. BALDASSARI. Yes, sir.

Mr. POLSKI. Did you ever own an airplane?

Mr. BALDASSARI. Decline to answer that on the ground it may incriminate me.

Mr. POLSKI. Do you know a Mr. Harold Siegert?

Mr. BALDASSARI. Decline to answer that on the ground it may incriminate me.

Mr. POLSKI. Isn't it a fact he was a pilot for that airplane and that at various times you took members of the Scranton police force on trips?

Mr. BALDASSARI. Decline to answer that on the ground it may incriminate me.

Mr. MOSER. Mr. Baldassari, how can the taking of a policeman in an airplane tend to incriminate you under a Federal statute?

Mr. BALDASSARI. Decline to answer.

Mr. MOSER. You decline to answer on the ground that it may incriminate you?

Mr. BALDASSARI. That is right.

Mr. MOSER. You claim that it would incriminate you to tell us whether you took a policeman in an airplane; is that correct?

Mr. BALDASSARI. Yes, sir.

Mr. MOSER. And is that because it would incriminate you under a Federal statute?

Mr. BALDASSARI. Yes, sir.

Mr. MOSER. And what statute could be violated by way of taking—what Federal statute could be violated by taking a policeman in an airplane?

Mr. BALDASSARI. My expenditures that would be involved on my income tax.

Mr. MOSER. Expenditures in the operation of the airplane?

Mr. BALDASSARI. Decline to answer on the ground that that may incriminate me.

Mr. MOSER. Do you refuse to answer that question on the ground that the expenditures might have consisted of bribes paid to the policeman you took in the airplane?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. Mr. Baldassari, have you ever heard of the Royal Hotel on Linden Street?

Mr. BALDASSARI. Yes, sir.

Mr. POLSKI. Have you ever been in there?

Mr. BALDASSARI. A few times.

Mr. POLSKI. How often? You say "a few." What do you mean by "a few"?

Mr. BALDASSARI. I just can't remember how many times. I don't keep track.

Mr. POLSKI. Have you been in there 10 times this year?

Mr. BALDASSARI. I have machines in there. I don't know just how many times.

Mr. POLSKI. You have machines in there?

Mr. BALDASSARI. Yes, sir.

Mr. POLSKI. Machines from where?

Mr. BALDASSARI. Decline to answer that on the ground it may incriminate me.

Mr. POLSKI. You have machines. What kind of machines are they?

Mr. BALDASSARI. Jukeboxes.

Mr. POLSKI. Jukebox machines in there?

Mr. BALDASSARI. Yes, sir.

Mr. POLSKI. How many?

Mr. BALDASSARI. One.

Mr. POLSKI. Just one. When did you put that in there?

Mr. BALDASSARI. I couldn't remember just what day. I would have to look at my books.

Mr. MOSER. You said a few moments ago you have machines in there. Now you say you have one jukebox. What other machines do you have in there?

Mr. BALDASSARI. The other machine is one of them shuffle alleys you play with money. You put a dime in and play.

Mr. MOSER. Do you have slot machines in there?

Mr. BALDASSARI. Decline to answer that on the ground it may incriminate me.

Mr. MOSER. How can it incriminate you under a Federal offense with regard to slot machines when it doesn't incriminate you with regard to a pinball or jukebox or shuffle machine? Isn't the difference that one is a violation of the State law and the other is not?

Mr. FORD. The witness would like to reconsider the committee's question as to whether or not he has any slot machines in that place. Does he have the committee's permission to do that?

The CHAIRMAN. Yes.

Mr. BALDASSARI. No, sir.

Mr. POLSKI. You say "No, sir"?

Mr. FORD. That he does not have a slot machine.

Mr. POLSKI. Do you own any slot machines?

Mr. BALDASSARI. Refuse to answer that on the ground it may incriminate me.

Mr. POLSKI. Do you have any financial interest in the Royal Hotel?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. Is that listed on your income tax?

Mr. BALDASSARI. Decline to answer that on the ground it may incriminate me.

Mr. POLSKI. Have you ever had anything to drink in the Royal Hotel?

Mr. BALDASSARI. When I go in there once in a while and collect the machines, I buy a drink.

Mr. POLSKI. Once in a while you do buy a drink?

Mr. BALDASSARI. Yes, sir.

Mr. POLSKI. What is the bartender's name?

Mr. BALDASSARI. Well, they have a couple there.

Mr. POLSKI. Tell me their names.

Mr. BALDASSARI. All I know is the first name of one of them.

Mr. POLSKI. What is that?

Mr. BALDASSARI. Tony.

Mr. POLSKI. Who?

Mr. BALDASSARI. Tony.

Mr. POLSKI. Tony?

Mr. BALDASSARI. Yes, sir.

Mr. POLSKI. Do you know a Mr. Siegert? Was he ever a bartender there?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. Isn't that the same Siegert that was a pilot for that airplane of yours?

Mr. BALDASSARI. Decline to answer.

Mr. POLSKI. Have you ever heard of the name Jack Gagliano, alias Ross?

Mr. BALDASSARI. I decline to answer that on the ground that it may incriminate me.

Mr. POLSKI. You decline to say if you have even heard of the man's name?

Mr. BALDASSARI. I have heard his name.

Mr. POLSKI. You have heard his name?

The CHAIRMAN. The man we are referring to is the one that was released from the Eastern Penitentiary a few months ago. You know who we mean?

Mr. BALDASSARI. Yes, sir.

Mr. POLSKI. Where did you hear his name mentioned, can you recall?

Mr. BALDASSARI. In around Scranton.

Mr. POLSKI. Where particularly around Scranton?

Mr. BALDASSARI. I don't remember exactly where.

Mr. POLSKI. Do you recall who told you the name, whether you saw the name in the newspapers or heard it on the radio?

Mr. BALDASSARI. I remember reading about him in the newspapers.

The CHAIRMAN. Did you ever have any dealings with him?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. Did you ever use this man for strong-arm purposes in an attempt to get the \$1,700 back that Fogley took from you?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. How would that incriminate you, sir?

Mr. BALDASSARI. I decline to answer that. That may incriminate me.

Mr. MOSER. I think your counsel would advise you you have to state the ground on which you claim the incrimination.

Mr. FORD. I agree with counsel, he has to state the ground of incrimination, but when he is asked the question, how does it incriminate him, I submit the case if you give that reason, you might as well answer the question to begin with.

I submit how it would incriminate him he does not have to state.

The CHAIRMAN. There is a distinction between stating the nature of the grounds on which he relies and then of giving the detailed information which may, of course, disclose the very thing that he is desirous of withholding. Do you make that distinction?

Mr. FORD. Yes; I do.

Mr. POLSKI. Mr. Baldassari, have you ever heard of the Glass Hat? In Scranton?

Mr. BALDASSARI. Yes, sir.

Mr. POLSKI. You have. Have you ever been in that establishment?

Mr. BALDASSARI. I have been in there several times having drinks.

Mr. POLSKI. Is that place operating today?

Mr. BALDASSARI. Yes; I believe so.

Mr. POLSKI. You believe it is. Do you own any interest in it?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. Did you ever have an interest in it?

Mr. BALDASSARI. Decline to answer.

Mr. POLSKI. Have you ever paid protection for anything in Scranton?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

The CHAIRMAN. In other words, Mr. Baldassari, so we understand the question is as to whether—I want you to consider it carefully now—as to whether you have bribed or given any protection money or in any other manner improperly influenced any law officer or any official in the State of Pennsylvania.

Now are we to understand that you decline to answer that on the ground that you may by answering it incriminate yourself?

Mr. BALDASSARI. That is right.

The CHAIRMAN. Of course, we are free to draw our own inferences from your refusal. Counsel.

Mr. FORD. Senator, I think our court of appeals in the last year in the Belicci case had that proposition before them. Any inferences that may be drawn from it, they held in that case, Judge Prettyman unanimously for the court, that no inference either way could be drawn from it.

The CHAIRMAN. I meant we may very well be interested in following out further leads we have. That is what I meant.

Mr. FORD. I misunderstood you.

Mr. POLSKI. Do you know Captain Beynon?

Mr. BALDASSARI. Yes; I do.

Mr. POLSKI. You do know him?

Mr. BALDASSARI. Yes, sir.

Mr. POLSKI. What position does he hold in the police force of Scranton?

Mr. BALDASSARI. I believe he is captain of police.

Mr. POLSKI. How long have you known him?

Mr. BALDASSARI. Since I am a little boy.

Mr. POLSKI. Are you very friendly with him?

Mr. BALDASSARI. Well, I wouldn't say real friendly. I know him.

Mr. POLSKI. Even been out with him?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. You say you just know him casually; is that correct?

You refuse to say whether you have ever been out with him?

Mr. BALDASSARI. Right.

Mr. POLSKI. How about Lieutenant Smallacombe?

Mr. BALDASSARI. Who?

Mr. POLSKI. Smallacombe.

Mr. BALDASSARI. I know him.

Mr. POLSKI. How long have you known him?

Mr. BALDASSARI. About 10 years or so. I just can't remember how long.

Mr. POLSKI. How well do you know him?

Mr. BALDASSARI. I decline to answer on the ground it may incriminate me.

Mr. POLSKI. You decline to state how well you know him?

Mr. BALDASSARI. That is right.

Mr. POLSKI. Do you know the director of public safety, Mr. Lonsdorf?

Mr. BALDASSARI. I know him.

Mr. POLSKI. How long have you known him?

Mr. BALDASSARI. A few years.

Mr. POLSKI. Five years?

Mr. BALDASSARI. About that, not more than 5 years.

Mr. POLSKI. How well do you know him?

Mr. BALDASSARI. Just casually.

Mr. POLSKI. On friendly terms with him?

Mr. BALDASSARI. I wouldn't say so.

Mr. POLSKI. You don't think so. Do you know anything about a \$2,500 ring that you presented him?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. You decline to say if you gave him a \$2,500 diamond ring?

Mr. BALDASSARI. I decline to answer that.

Mr. POLSKI. How would that incriminate you, sir?

Mr. BALDASSARI. I decline to answer that, sir.

Mr. POLSKI. You decline to saw how it would incriminate you?

Mr. BALDASSARI. That is right.

Mr. POLSKI. I have no further questions.

The CHAIRMAN. Mr. Moser has one further question.

Mr. MOSER. While your counsel was showing you those records, it was stated by you to him, and I think also to us, that some of the bank statements covered your individual account not only as an individual but also in the name of the business which you operate, namely, Baldassari Amusement Co.; is that correct?

Mr. BALDASSARI. Yes; that is right.

Mr. MOSER. So that the accounts covered you as an individual operating the Baldassari Amusement Co.; is that correct?

Mr. FORD. The witness says that he further had disclosed that it was a partnership as distinguished from an individual. Individually, yes; as an individual member of a partnership.

Mr. MOSER. As an individual member of a partnership?

Mr. FORD. Yes, sir.

Mr. MOSER. Then he refused to disclose who the other partners were.

Mr. FORD. Yes.

Mr. MOSER. Isn't it true, Mr. Baldassari, that the partners in that organization consist of your wife and your sister-in-law, your wife and your brother's wife?

Mr. BALDASSARI. Yes.

Mr. MOSER. The partners, then, are Olive Baldassari and Viola Baldassari; is that correct?

Mr. BALDASSARI. It is a four-way partnership. My brother and his wife and me and my wife. It has been that way ever since—in the last 6 or 7 years.

Mr. MOSER. So that there are four partners consisting of you and your brother and—you withdraw your objection to revealing the names of the partners of that partnership?

Mr. FORD. In view of the way the question was put.

Mr. MOSER. Isn't it true that the tax returns filed by Baldassari Amusement Co. show that you and your brother are not partners but that your respective wives are partners?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. MOSER. But nevertheless it is true that you and your brother are members of the partnership; is that correct, as you stated before?

Mr. BALDASSARI. I stand on my previous answer.

Mr. MOSER. But you refuse to state whether your tax returns show that you and your brother are not partners?

Mr. BALDASSARI. I decline to answer.

Mr. MOSER. We have examined the tax return for 1950 of Baldassari Amusement Co. and it does not reveal the fact that you and your brother are members of the partnership, but shows your respective wives as a partner. Is that a correct statement in the tax return?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. MOSER. That is all I have to ask.

Mr. POLSKI. Have you ever heard of the Mafia?

Mr. BALDASSARI. Just what I read in the paper, that is all.

Mr. POLSKI. What do you read in the paper about it?

Mr. BALDASSARI. I don't know. I never followed it up. I seen the word "Mafia," some kind of gang, that is all.

Mr. POLSKI. Have you ever had any experiences with the Mafia concerning your family?

Mr. BALDASSARI. No.

Mr. POLSKI. Is any member of your family a member of the Mafia?

Mr. BALDASSARI. No, sir.

Mr. POLSKI. Any member of your family have any experience with the Mafia?

Mr. BALDASSARI. Not that I would know.

Mr. POLSKI. Threats of any kind?

Mr. BALDASSARI. I don't think so.

Mr. POLSKI. You are sure?

Mr. BALDASSARI. Pretty sure.

Mr. POLSKI. How about your brother, Al?

Mr. BALDASSARI. As far as I know.

Mr. POLSKI. You are certain of that?

Mr. BALDASSARI. As far as I know. I could stake my life on it.

Mr. MOSER. Isn't it true you own a race horse?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. MOSER. Isn't it true that you own an airplane and that you have used the airplane to take members of the police department on trips?

Mr. BALDASSARI. I decline. I stand on that answer.

Mr. MOSER. Isn't it also true you gave a bribe to a police officer consisting of a ring worth \$2,500?

Mr. BALDASSARI. I decline to answer that on the ground it may tend to incriminate me.

Mr. POLSKI. How long have you lived at your present address?

Mr. BALDASSARI. June 1, 1950.

Mr. POLSKI. That is a new house?

Mr. BALDASSARI. Yes, sir.

Mr. POLSKI. How much did it cost you?

Mr. BALDASSARI. I decline to answer that on the ground it may incriminate me.

Mr. POLSKI. Isn't it a fact it cost in excess of \$30,000?

Mr. BALDASSARI. I decline to answer.

Mr. FORD. Senator, I notice that as to a previous witness after he left, you advised him he is still under subpoena. Would you want to advise this witness?

The CHAIRMAN. We feel we have concluded the examination of this witness. He is still under subpoena, but we don't require him to remain in the room.

Mr. FORD. As to the other witness, Size, is he excused except he is to remain on call?

The CHAIRMAN. That is correct.

Are representatives of the Western Union Telegraph Co. here? Raise your right hand.

In the presence of Almighty God, do you swear that the testimony you give shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HARRIS. I do.

TESTIMONY OF GEORGE T. HARRIS, SUPERINTENDENT, WASHINGTON OFFICE, WESTERN UNION TELEGRAPH CO.

The CHAIRMAN. Will you kindly state your full name?

Mr. HARRIS. George T. Harris.

The CHAIRMAN. George T. Harris?

Mr. HARRIS. Right.

The CHAIRMAN. And, Mr. Harris, you are connected with the Western Union Telegraph Co.?

Mr. HARRIS. I am superintendent of the Washington office of the Western Union.

The CHAIRMAN. Superintendent of the Washington office?

Mr. HARRIS. That is right.

The CHAIRMAN. For how long have you been?

Mr. HARRIS. I have been here approximately 2 years.

The CHAIRMAN. Two years. Thank you.

Mr. Harris, could I ask you to keep your voice up and talk into the mike so we may all hear you without difficulty. Thank you very much. All right, Mr. King.

Mr. KING. Senator, I would like to say Mr. Harris is here at our invitation to tell us about the procedure for sending the Treasury balance reports out over the Western Union system from Washington, D. C. He is here at our invitation to cover that point.

Mr. HARRIS. Each morning we send an operator to the Treasury Department, who transmits the Treasury balance for the previous day, I believe, or it may be for the current day—it is in the morning when that information is given out. That is sent to our New York commercial news department, referred to generally as the CND department. That department furnishes what we call the commercial news quotation service of which the Treasury balance is a part.

Mr. KING. This operator makes a special trip for those figures, Mr. Harris?

Mr. HARRIS. That is right; each morning.

Mr. KING. Do you know what those figures consist of?

Mr. HARRIS. Well, I have a typical message here. It is a very brief message, if you would like me to read it.

Mr. KING. I think if you would do that, that would be well.

The CHAIRMAN. Maybe by giving the illustration you are about to give, it would be helpful.

Mr. KING. Tell us the type of information it contains. Is it figures?

Mr. HARRIS. Figures; yes, that is right.

Mr. KING. Including the closing balance of the Treasury?

Mr. HARRIS. Perhaps I could clarify it if I read it to you. It is a very short message. For instance, here is a typical message. It says, "April 3, total balance, 8,350,733,876.77." That is the complete message.

Mr. KING. That is the message?

Mr. HARRIS. That is right.

Mr. KING. Now, Mr. Harris, you say this is picked up by this operator, immediately put on the wires to your commercial department in New York?

Mr. HARRIS. He transmits directly from the Treasury Department. That is received in our New York office and turned over to the commercial news department—the commercial news center, the center of

the commercial news department. Then it is transmitted to the Chicago news center. We have, I understand, 67 subscribers in the eastern part of the country. That includes the New England States, Pennsylvania, Jersey, et cetera.

The reason we send it to Chicago is because Chicago serves another section of the country and—did I say 51 subscribers in the eastern part?

Mr. KING. Sixty-seven.

Mr. HARRIS. We have a total of 67 subscribers in the country. Fifty-one of those are in the eastern part of the country, the eastern section, and 16 others are located mostly in Ohio, and the Chicago center serves the Ohio section, and that is why it is transmitted to the Chicago center.

Mr. KING. Thank you, Mr. Harris. I would like now to introduce into the record a letter from the commercial news department of the Western Union Telegraph Co. in New York City, transmitting to this committee the list of 51 subscribers which Mr. Harris has just referred to.

I feel that this list is important enough and indicates sufficiently the extent of this Treasury numbers operation, so that I should read it into the record.

The CHAIRMAN. Mr. King, if it is 67 names, that seems to be probably a needless recital. I was wondering if you could not give us the fact of whether or not there is evidence of interstate connection and then possibly just the indication of the number of States, without reading 67 names and addresses. Of course, that will be included in the record.

Mr. KING. Fifty-one on the New York list. I will indicate the cities to which these go. I should like to point out first that the name of Joseph Size of Scranton, Pa., is on this list, and running quickly down the number, it is distributed to Rochester, N. Y.; Plattsburg, N. Y.; Scranton, Pa.; Syracuse, N. Y.; Boston, Mass.; Allentown, Pa.; Niagara Falls; Pittsburgh; Manchester, N. H.; Rome, N. Y.; Utica, N. Y.; Elizabeth, N. J.; Worcester, Mass.; Trenton, N. J.; Williamsport, Pa.; Jeannette, Pa.; Salamanca, N. Y.; Lewistown, Pa.; Burlington, Vt.; Monessen, Pa.; Buffalo; Concord, N. H.; Cortland, N. Y.; Geneva, N. Y.; Elmira, N. Y.; Johnson City, N. Y.; Beacon, N. Y.; Endicott, N. Y.; Ilion, N. Y.

Then there are some subscribers who take Friday numbers only: Kingston, N. Y.; Scranton, Pa.; Edgewood, R. I.; Fall River, Mass.; Altoona, Pa.; Easton, Pa.; Newburgh, N. Y.

I would further point out these are all individuals.

Mr. Harris, would you know the use to which these numbers are put?

Mr. HARRIS. No; I don't. In fact, I don't know anything about the list you have. That was prepared as a result of subpoena served on us in New York yesterday and prepared by our New York people.

Mr. KING. You have not seen the list?

Mr. HARRIS. I don't know who is on the list.

Mr. KING. I was curious as to whether you had knowledge of the list. We had expected to find banking institutions or financial institutions. These are all individuals.

Mr. HARRIS. You will recall in our conversations yesterday I clearly indicated I know very little about the whole situation.

Mr. KING. Thank you, Mr. Harris. That is all.

The CHAIRMAN. Thank you, Mr. Harris.

Mr. HARRIS. I would like to point out this commercial news service does provide quotations on cotton, livestock, butter, eggs, poultry, bonds and stocks, grain, and so forth. It is quite a comprehensive service and this service is part of it.

Mr. KING. This is one specialized type of information which can be had separately on a contract basis?

Mr. HARRIS. Would you like to have a copy of this?

Mr. KING. Thank you, yes.

Mr. HARRIS. Is that all?

The CHAIRMAN. Thank you very much. The list of subscribers and the sample message will be put in the record at this point.

The CHAIRMAN. Albert Baldassari! Mr. O'Malley.

Mr. O'Malley, it is customary to swear all witnesses, and I am sure you do not object.

Mr. O'MALLEY. Not a bit.

The CHAIRMAN. Do you swear in the presence of Almighty God that the testimony you shall give will be the truth, the whole truth, and nothing but the truth?

Mr. O'MALLEY. I do.

**TESTIMONY OF CARLON M. O'MALLEY, DISTRICT ATTORNEY,
LACKAWANNA COUNTY, SCRANTON, PA.**

The CHAIRMAN. Your full name, please.

Mr. O'MALLEY. Carlon M. O'Malley.

The CHAIRMAN. And your position?

Mr. O'MALLEY. District attorney, Lackawanna County, Scranton, Pa.

The CHAIRMAN. District attorney of Lackawanna County?

Mr. O'MALLEY. Yes, sir.

The CHAIRMAN. For what period of time, Mr. District Attorney, have you held that post?

Mr. O'MALLEY. I occupied the position of first assistant district attorney for a period of 6 years and now I am in my fourth year as district attorney, the first 2 years having been court appointed and recently having been elected by the people of Lackawanna County.

The CHAIRMAN. Thank you very much. Mr. Polski, will you proceed?

Mr. POLSKI. Were you asked to produce a report, a survey made by your office, showing the gambling activities in Lackawanna County as of recent weeks?

Mr. O'MALLEY. Yes, sir.

Mr. POLSKI. Do you have it?

Mr. O'MALLEY. Yes, sir.

Mr. POLSKI. Would you mind reading it?

Mr. O'MALLEY. May I make a preliminary statement to the committee?

Mr. POLSKI. Yes, indeed.

Mr. O'MALLEY. This survey was instituted by reason of the fact that in March of this year there was a seizure of a large amount of lottery tickets and paraphernalia, printing lottery in our county, by

the Pennsylvania State Police. The seizure I was aware of, we secured convictions, and subsequently on petition prepared by our office on petition of Charles McRae, the commanding officer of the troop at Wyoming, Pa., which is in our area, a petition was made to the court for condemnation and confiscation of the material.

The CHAIRMAN. May I ask, Mr. O'Malley, whether the State police have jurisdiction within the corporate limits of the city?

Mr. O'MALLEY. I may answer it this way. They have in Lackawanna County two substations, one in Blakely and one at Daleville, Daleville being heading toward the Poconos Mountains, it being primarily in the rural district, more of a highway traffic substation; the Blakely station being the central station for Lackawanna County.

It is my opinion that the Pennsylvania State Police have jurisdiction throughout the entire State of Pennsylvania, but I do know that as a matter of practice they do not come into the city limits of Scranton, nor do they go into the city limits of Carbondale as a general rule.

The CHAIRMAN. This particular raid that you first referred to, or the series, was conducted where?

Mr. O'MALLEY. This was a single raid that was conducted in Scranton under the detail of Detective Sgt. Charles Hartman.

The CHAIRMAN. Of the Pennsylvania State Police?

Mr. O'MALLEY. Of the Pennsylvania State Police out of Wyoming. I am guessing, but I would say his detail comprised 20 to 25 men.

The CHAIRMAN. I don't want to interrupt your recital, but to get it clear so we may understand you as you go along, is there a separate force within the city, police force within the city of Scranton?

Mr. O'MALLEY. The city of Scranton has a police force comprised of approximately 175 police officers and a detective bureau, I believe, comprising about 12 city detectives.

The CHAIRMAN. Was the raid conducted independent of the city police?

Mr. O'MALLEY. Independent of all police agencies; it was done by the Pennsylvania State Police themselves.

The CHAIRMAN. In other words, they did it without consulting the city police or without taking them in on it?

Mr. O'MALLEY. They were not taken in on it. I had knowledge of the fact of the investigation prior to the particular raid through the Pennsylvania State Police as being the district attorney.

The CHAIRMAN. All right.

Mr. O'MALLEY. As a result of this raid, convictions were had on certain persons. I wasn't asked to bring the information, but I have it in front of me. All told there were seven individuals convicted.

Subsequent to that, according to a brief synopsis that I have of the case, on May 5 three were convicted and sentenced by the court. On May 25 the court ordered that all of the property involved—a copy and exhibit of which I have present, if the committee desires I will leave it with you, it is rather long—was ordered sold under the supervision of the court and the Pennsylvania State Police, and that the proceeds of the sale of the material be turned over to the civilian defense of Lackawanna County.

I believe as of yesterday most of the articles had been sold, and it realized approximately \$4,000. I may say to you, Mr. Chairman, that I have been advised by Detective Sgt. Charles Hartman that the ma-

terial itself was worth \$50,000 to the persons who were using it. It was a type material that was hard to secure and it was worth that to those that were using it.

The CHAIRMAN. Could I ask you just without detailing in each case what the judgment of the court was, could you give us the range of sentences that were imposed?

Mr. O'MALLEY. There were five defendants—Frank Blackledge, Frank Stasium, Lionel Strauss, John B. Williams, and Esther Ephnault, the latter as I recall being an employee in a printing plant. They were all fined \$200 and costs. There was Joseph Size and Gregory Size, who were also charged, and Joseph was fined \$300 and Gregory was fined \$200.

In addition, at the time of the raid there was the sum of \$1,050 seized in currency from one of the Sizes, I can't recall which one it was, but they were both together. So that the entire yield beyond the fines that I have enumerated, together with the money realized, would be in the neighborhood of, we will say, four to five thousand dollars as far as—penalty, put it that way, sir.

Subsequent to the condemnation proceedings, our office was vitally interested in the ending of such manufacturing in Lackawanna County or the city of Scranton. In other words, the amount of tickets involved went up into the millions, and we in Scranton and Lackawanna County, being of the anthracite region, with coal being depleted, have suffered rather lean years, but thanks to the good fortune of some of our prominent citizens and chambers of commerce, et cetera, we have slowly built up a new amount of manufactures coming into Lackawanna County, and some big ones, and I felt personally and the members of my staff that we didn't want any lottery ticket manufacturing businesses in our community.

As a result of it we kept a close watch, and I would say that somewhere in June we had information that the very tickets that were involved in this large seizure were again appearing in Scranton. I consulted the State police about the matter and as a result of it I believe it was on June 29, Saturday, that I consulted Lieutenant Newman, of the Pennsylvania State Police, and asked for his cooperation in a county-wide survey of gambling.

I may divert for a moment and say that it has been traditional in Lackawanna County that the district attorney's office is a prosecuting office and not a policing office. The reason I say that is that I have a staff of only four investigators, they are required to bring prisoners from other States on extradition, bringing them in for trial, assist our staff members in the preparation of the prosecution of cases.

We in Lackawanna County have an area of exactly 454 square miles, the county runs 33 miles in length and at one point 20 miles wide. So that it is almost impossible for us to actually carry on any police work.

In this case I enlisted the services of the Pennsylvania State Police and particularly was prompted in seeing to it that that lottery that had originated in March and any other lottery and any other form of gambling be brought to an end, and a survey be made. I have the survey here. If you want me to read it, it consists of three pages.

The CHAIRMAN. Could you condense it? We would like to put the entire survey report in the record, of course.

Mr. O'MALLEY. I will be glad to furnish it to you.

The CHAIRMAN. Except we thought it unnecessary to read it in full at this juncture, but wondered whether you might summarize it briefly.

Mr. O'MALLEY. Well, briefly, I will have to take it page by page and condense it. I brought a copy with me. If you want my original, you can have it.

The parties to that conference of Saturday, June 29, was a detail consisting of my chief county detective, Michael T. Munley, Adam Wojciechowski, and County Detective Sgt. John Tana and Corp. David Roberts, of the Pennsylvania State Police. At that conference it was decided they would proceed on the following Monday, which I recall as July 2. They went from borough to borough and from municipality to municipality, of which we have 41 in Lackawanna County, some of the smaller ones with less than a hundred people population and the rural districts they didn't cover.

I can say to you, going down the list, in Taylor Borough, there were no gambling activities except some punchboards.

Old Forge practically the same thing. I am just briefing it as I glance over this page.

In Moosic there were some punchboards and alleged pinball machines, or rather pinball machines, which may have paid off some numbers, according to the chief of police.

I may say, Mr. Chairman, that all of these details, each county detective was accompanied by a Pennsylvania State Police officer. They divided up their work. Each person interviewed that I am speaking of in the boroughs were the chiefs of police, as far as the boroughs are concerned in this report to get the picture of what was going on in each particular borough.

Dunmore, the chief of police, Edward J. Conway was interviewed. Dunmore is one of your larger boroughs. It has a population of about 20,000 people. He advised that there was no open gambling or horse rooms in the area, but that bets were being made on the street. The police officers—that is, the investigating officers—interviewed the Burgess and received full cooperation. There were two alleged bookies, one Leonard N. Carlucci, of 321 Spring Street, Dunmore, and one Gordon Dempsey, 1100 John Street, Dunmore, both stating that they had quit the business and were out of it.

In the borough of Throop, Captain of Police David White was interviewed and said that there was no gambling in that borough.

In Dickson City, which is one of our larger boroughs, comprising close to 9,000 people, Chief Joseph Zender was interviewed. He had no knowledge of any gambling activities other than punchboards, and that they would be ordered stopped. Then Desmond Bogdanovicz of 713 Lincoln Street, Dickson City, was interviewed, he being a reputed bookie, according to this survey and report to me, and stated he was no longer booking any horses.

Olyphant was interviewed and except the punchboards, no gambling activities.

Winton the same.

Blakely the same way.

Archbald, the same way and Jermyn the same way.

In the city of Scranton the following were interviewed: One Richard Booth, of 1555 North Washington Avenue, Scranton, Pa., a distributor for the Square Deal and Penn Limited lottery or "Treasury"

tickets; likewise Peter Gennello, 1714 Ash Street, Scranton, Pa., a bookie for wagers on horse races; also Charles Pascucci and a Nick Rosse, alleged bookie, and alleged horse-room operators.

These gentlemen that I have mentioned, according to the top of the report, were warned to cease operations in the future, and as I understand it, at the time they appeared there was no bookmaking activity. That is, at the time the officers appeared.

Major James T. Hanlon was interviewed and stated he would co-operate to the fullest extent and immediately called the director of public safety, Mr. William Lonsdorf, and Chief Ruddy into conference, but he was of the opinion no gambling was going on except punchboards, and that they would be ordered out.

In addition, the following alleged or reputed operators were interviewed and warned to cease operations. I may say, as I said before, at the time our men made this survey there was no bookmaking going on in the city. Joseph Baldassari, Cleveland Street, Scranton, Pa., and his brother Al Baldassari, 110 Stafford Avenue, Scranton, a horse room at 108 Adams Avenue, Scranton, Pa.; James "Buz" Caffrey, 312 Linden Street—

Mr. MOSER. May I interrupt? You just referred to the Baldassaris. But I didn't understand the result. Did it indicate the horse room was open or closed?

Mr. O'MALLEY. As I said before, my men told me, I was out of the city on vacation at the time this was made, but my men told me all these bookies or horse rooms were all closed, but when they went to them they made a visit in this survey and made a direct statement to them that they were to stay closed in the future.

Mr. MOSER. Now were you in Canada on vacation at the time this survey was started?

Mr. O'MALLEY. That is right. No; as a matter of fact, I started the survey. It was my initial program, started on a Saturday, June 29, I would say, or the 30th.

Mr. MOSER. What caused you to start the survey?

Mr. O'MALLEY. The motivating cause, sir, was the appearance of this lottery, the Empire lottery, back into Lackawanna County after the seizure.

I might say an additional cause, that your investigators appeared in Scranton, a matter of 2 days before that, and appeared in the Scranton Times of that date.

The CHAIRMAN. Mr. O'Malley, could I interrupt?

Mr. O'MALLEY. Yes, sir.

The CHAIRMAN. The investigators were there for our committee, and the report to us as of June 27, which is just 2 days before the date in question, shows that they just walked into the Al Baldassari horse room, that there were approximately 50 people present, there were blackboards, there were sheets of entries listing horses running at the various race tracks, five men in the cage, wire service in operation, amplifying system wide open.

The only reason I break in is that apparently that is a very different picture from what you have just given, which looks like everything is lily-white.

Mr. O'MALLEY. I want to respectfully remind you, Mr. Chairman, that you hadn't allowed me to complete my answer.

The CHAIRMAN. Everything you are reading looks like everything was shut down, and he walked in cold and everything was wide open.

Mr. O'MALLEY. I was asked by counsel what was the reason, as I recall, why I made it; and I proceeded to state that the primary motivating cause was this Empire lottery.

The additional cause, which at the time I was interrupted by the chairman, was the fact that your men appeared in the city of Scranton, as it appeared, and I felt that the matter was of such public interest at that time that—that probably is a mental cause, was an additional factor in my mind for seeing to it that we made this survey.

The CHAIRMAN. My only point is whether or not conditions such as he found to exist, the investigator found to exist, as I said before, they went in cold and found them, whether those conditions had been existing for a period of time before that and were just brought to a close as a result of the investigators' visit.

Mr. O'MALLEY. I may say this to you, Mr. Chairman: That we have had in the past, as I have said, the district attorney's office in Lackawanna County traditionally is not a policing agency. I don't have the facilities. We have over a quarter million people in the area I have described to cover for prosecution purposes, and the district attorney's office, the district attorneys who have preceded me, to my knowledge, being a member of the bar for 21 years, have always dealt with it as a prosecuting office rather than as a policing office unless something unusual came up or the situation was such that it demanded it, and this was one of the cases that I believe demanded it.

Now I will say to you when my men went out the following Monday, these rooms were closed, and I would be naive if I told you that those matters didn't exist or haven't existed in the past and for a number of years, and it has been the policy of the district attorney's office of allowing the matter in the hands of the city police, who have, we will say, 175 police officers, 12 detectives, and any time they bring any prosecutions to our office or any other municipality in Lackawanna County, we will accommodate them fully by seeing there is prosecution.

Mr. MOSER. In other words, Mr. O'Malley, you feel that the basic responsibility for enforcing these laws rests with the local police; is that correct?

Mr. O'MALLEY. In the city of Scranton especially, and I would say with all the police agencies it is coupled with the Pennsylvania State Police in the smaller municipalities, where they may have a part-time police chief, which we have in some of our districts.

Mr. MOSER. On June 20 an investigator for this committee went to Scranton and started to investigate. He found no difficulty whatever in finding that the town was wide open. The chairman has described the activities that he could find without the slightest difficulty. Any citizen of the community could have walked into any one of those places. The Baldassari horse room was wide open. The lotteries were operated on a large scale. He operated there, our investigator worked there for 2 days, 2 or 3 days, and it was suddenly discovered he was there.

The minute that discovery occurred all of those places shut down. Now the thing that seems strange to me is that the places were shut down after all these years when our investigator arrived there, and it just happened that was simultaneous with an action on the part of your office to investigate the places, too.

Mr. O'MALLEY. There is nothing strange about it, because I think I have outlined definitely our attitude in view of this Empire State ticket seizure.

Mr. MOSER. Your attitude generally is your office is not responsible but the police should do something?

Mr. O'MALLEY. Not for policing. I may say this to you: That in addition over a period of years the city will raid and close up places time and time again, not this administration, other administrations, and then we will call it, they will start sneaking, and then they will start opening up again and closed again.

Mr. MOSER. I should think the police would know it is going on if any citizen of the community can know it.

Mr. O'MALLEY. I think it is a police matter. I don't want to shed any responsibility.

Mr. MOSER. I wonder if you can explain why it is the place stays wide open until our investigators arrive and our investigators can find it like any other citizen; yet the police are not doing anything about it. Are the police receiving protection for that?

Mr. O'MALLEY. I have no knowledge of that and cannot answer it.

Mr. MOSER. There must be some very simple explanation.

Mr. O'MALLEY. Over a number of years periodically those places that appear are closed, you may compare them, we will say, to weeds in a garden. They are torn out and new weeds come in or the old weeds reappear.

Mr. MOSER. I should think the police would do something about it long before it gets to the point where our investigators, who are perfect strangers, can walk into any establishment in the place. It is pretty wide open when it gets to that, and I should think long before that the police would know all about it.

Mr. O'MALLEY. I think our survey showed—from memory now, the survey is in front of me, and I am submitting it to your committee—there were approximately four what you would call bookie rooms in the city.

Mr. MOSER. That is right. The investigator went into all four of them.

Mr. O'MALLEY. I think there were about four, and there are several in this list of what one would call telephone bookies or operators by telephone.

Mr. MOSER. Our investigator, after just a few hours of investigation, discovered there is a bookie establishment, horse wire room, at 226 Lackawanna Avenue on the second floor, another one at 217 Penn Avenue on the second floor, another one at 218 Adams Avenue on the second floor, another one at 108 Adams Avenue on the second floor.

Mr. O'MALLEY. That is in this survey.

Mr. MOSER. He found those without any difficulty at all in just a few minutes. I am wondering why the police were unaware of those or if they were aware of it, which I am sure they must have been, why they weren't doing anything about it. I should think you would have some explanation of that obvious fact.

Mr. O'MALLEY. I think you can probably answer that as well as I can. It is the responsibility of the police of the city of Scranton.

Mr. MOSER. Yes, it is their responsibility, but when you discovered this large printing establishment, then you thought it was your responsibility, but until then not, I gather?

Mr. O'MALLEY. In view of the fact, sir, that when you look at the list, I am willing to submit it, and you probably have a list here of the amount of that seizure on that lottery set-up, and in view of what the State police had told me, this set-up was made probably for a full year's publication of this Empire lottery on a big scale, and it was done in the city of Scranton, and we didn't and I don't want them in Lackawanna County.

The CHAIRMAN. That is the very reason I asked you the question as to the cooperation of the city police. Apparently the city police were doing nothing because the raid was made by the State police independent of the city without telling them anything about it, and apparently to keep them in the dark, the purpose of which we can only draw our own conclusions about, but that is why I asked you whether or not the city police were doing anything about it or had manifested any interest.

Mr. O'MALLEY. Are you speaking of the horse rooms?

The CHAIRMAN. Yes, sir.

Mr. O'MALLEY. The State police, as far as their investigation of this lottery proposition, from what I know and without divulging too much, have been investigating this on a State-wide scale and perhaps on a larger scale. I heard some of the testimony this morning. I don't call it a policy because I have nothing to do with the police of the Pennsylvania State police, but in the larger cities in Pennsylvania, Scranton being one of them, population of about 125,000 people, they don't actually go in unless it is something that they are interested in such as this lottery matter in view of the fact that they have a very large police force in the city of Scranton.

I may say to you that I as district attorney in Lackawanna County, I am not condoning the city police or any of its members, but from their detective bureau in the line of prosecution of important cases in our office I have received the finest cooperation, and likewise I have received similar cooperation from their patrolmen, who are perhaps the first line of defense in police work.

Mr. MOSER. Your office is in Scranton?

Mr. O'MALLEY. Our office is in the courthouse in the city of Scranton.

Mr. MOSER. Is that across from the Greyhound Bus Terminal?

Mr. O'MALLEY. Right across the street.

Mr. MOSER. Isn't there a bookmaking establishment located in the Greyhound Bus Terminal?

Mr. O'MALLEY. According to this survey, there was one on the second floor. It is a building of maybe three or four stories.

Mr. MOSER. Isn't the Baldassari horse room only a block away from your office?

Mr. O'MALLEY. A block and a half.

Mr. MOSER. One of the establishments mentioned is 226 Lackawanna Avenue. Pat Dunn and Michael Nemetz. Do you know them?

Mr. O'MALLEY. They are in the lower end, I do not know Nemetz. I wouldn't know the man if I saw him. I know Dunn and they are in the lower end of Lackawanna Avenue. That is approximately five or six blocks from the courthouse, but below the real buying district of the city of Scranton. When I say that, there are some good stores in that district, but we are uptown.

Mr. MOSER. Isn't there a rumor to the effect that the sheriff of Lackawanna County has an interest in such a horse room?

Mr. O'MALLEY. I have not heard such a rumor.

Mr. MOSER. If you heard such a rumor would you investigate it or leave it to the local police?

Mr. O'MALLEY. In that case I believe it would have to be investigated by our office, if not the court.

Mr. MOSER. Is there a gambling place on Fallbrook Street in Carbondale operated by Bruno Sposito and Jack Farber?

Mr. O'MALLEY. That is in this survey, too. Our men visited that place. Sam "Chummy" Gillot was one of them, 64 Fallbrook Street, Bruno Sposito and one John "Skippy" Farber, alleged to have been the operators of a crap game and horses room.

Mr. MOSER. Do you know who owns the building that is operated in?

Mr. O'MALLEY. I have been told it is owned by a Mrs. Figliomeni.

Mr. MOSER. Mrs. Figliomeni?

Mr. O'MALLEY. Figliomeni.

Mr. MOSER. Is she the mother of Lackawanna Prothonotary Joseph Figliomeni?

Mr. O'MALLEY. I have been told that.

Mr. MOSER. How about Lou Cohen?

Mr. O'MALLEY. Our men also interviewed Lou Cohen. They were unsuccessful in seeing Joseph Size, who was a witness here today, according to this survey. He was out.

Mr. MOSER. They interviewed Lou Cohen?

Mr. O'MALLEY. Yes.

Mr. MOSER. Did they investigate him?

Mr. O'MALLEY. They did not investigate him. They interviewed him and told him they had information he was the alleged owner and had substantial interest or interests in the Empire Treasury ticket and that he was, if that was a fact, to see to it that the Empire tickets leave Lackawanna County for good.

Mr. MOSER. I have a little bit the impression, I don't want to seem unfair about it, but I have a little bit of the impression that your survey indicated that you interviewed the people who were in this business and warned them to stop it. The investigation that we do in this committee indicates that the best way to get these men is to not interview them but to investigate their affairs. I can't see that you accomplish much by asking them questions because they just don't tell you.

Mr. O'MALLEY. I will answer that in two ways: No. 1, when our men went out on this investigation all of this gambling had ceased. So the only purpose was to impress them with the fact that the district attorney's office was going to see to it that it was going to be permanent in nature with the thought in mind that an ounce of prevention is perhaps worth more than a pound of cure.

Mr. MOSER. Well, when these hearings are over that we are having today there may be a tendency on the part of some of these establishments to open up again, but I understand that you now consider it the responsibility of your office to see to it that they don't; is that correct?

Mr. O'MALLEY. I could still consider it the responsibility of the police of the various municipalities, but by the same token, with the

matter having, we will say come to a permanent end in our community as it appears today—now, I am going to say you are never going to stop gambling anywhere in any town in the United States forever, but I believe it will be reduced substantially.

Mr. MOSER. Of course, we frequently are told you are not going to stop gambling, but we are not talking about gambling, we are talking about wide-open gambling in violation of law that everybody can see is going on. When we see that going on we suspect somebody is getting protection. Any ordinary person would think that must be the answer.

It is my understanding that your office will continue now to keep an eye on these things.

Mr. O'MALLEY. I say not only will we continue, we have in the past, but we cannot police Lackawanna County with four detectives in our office. It is impossible.

Mr. MOSER. If the local police don't do it, then the places will probably open up again.

Mr. O'MALLEY. What we have done in the past is any time we have received complaints throughout the county that is coming through our office, we have always referred them to the respective either chiefs of police or the burgesses of the respective communities.

Mr. MOSER. We know certainly in Scranton referring them to the local police doesn't do much good. We know the place was wide open, we have had witnesses like the Baldassaris here who testified when we asked them if they paid protection, they refused to answer on the ground that it may incriminate them.

Mr. O'MALLEY. That is a matter of their personal privilege, sir. I am not defending them.

Mr. MOSER. I know that. If they had not paid, it would be very simple for them to say no.

Mr. O'MALLEY. I am not going to argue that with you in view of your statement to me and being a lawyer.

Mr. MOSER. I still say they could have said no, they did not.

Mr. O'MALLEY. The balance of the report, sir, going through the survey, I think that covers about all. The balance of the report covers the smaller areas, and I don't believe I should take the time of the committee to read it.

The CHAIRMAN. Mr. O'Malley, thank you very much. Give it to the reporter and we will include it in toto as part of your testimony.

Mr. O'MALLEY. May I make one short statement before I leave?

The CHAIRMAN. Yes.

Mr. O'MALLEY. I believe this is owing to a certain degree the citizens of Lackawanna County that we in Lackawanna County have, as far as the purpose of this committee, I believe, we are in fairly good shape. We have no prostitution in Lackawanna County. Prior to World War II we had probably in the neighborhood of 56 houses of ill fame. That was before I was in the district attorney's office, not because I had anything to do with it. I think the war had a major portion of stopping it. As a matter of fact, that is what did it with the help of the FBI.

But the nice part of it is that in the city of Scranton, where those places were located, and the few places in the county, they have never

reappeared in the city of Scranton, and we have absolutely no prostitution in that city or in that county.

We have no organized racketeers or gangsters in Lackawanna County. A stray may come in from out of State, either a hold-up man or a safe burglar or some such other character, and in each and every instance and with modesty I say they have been convicted and properly incarcerated in the proper penitentiary.

The criminal indictments—and this is just approximate, but I think it is fairly close—as of 12 years ago, in each session of our grand jury there were three to four hundred indictments per term of grand jury. Within the last year or two in Lackawanna County we are running only in the neighborhood of a hundred indictments.

Our juvenile delinquency, as of questioning our judge who is in charge of it as of yesterday, has decreased in the past 10 years 40 to 50 percent, I think—a figure a lot lower than most of the cities of that size in the United States.

Our prisoner record in our county jail, going back 12 years ago, indicated 100 to 125 prisoners there daily. As of last June—and I have the report this June, this past report, and I have it here—the boarders in our county jail amounted to only 52.

I say this, and I say it very honestly: There has been some gambling in Lackawanna County. It may tie up with interstate. If it does, my opinion would be that it is through your Treasury lotteries, but I don't have the facilities; it is beyond the confines of my community and county to determine that issue.

The CHAIRMAN. All right.

The CHAIRMAN. We will now take a recess for an hour.

(Whereupon, at 1 p. m., the committee adjourned, to reconvene at 2 p. m. this same day.)

AFTERNOON SESSION

The CHAIRMAN. Will the hearing please come to order.

District Attorney O'Malley.

Mr. O'Malley, at the time that recess was taken for luncheon you were just in the midst of giving us a description of developments, and I was anxious to ask you whether there was anything further that you desire to add at this time, or maybe a few other things about which counsel may desire to question you; but if there is anything further that you desire to say, we would be very glad to afford you the opportunity.

FURTHER TESTIMONY OF CARLON M. O'MALLEY

Mr. O'MALLEY. Mr. Chairman, I don't think I have anything more to say. I can only say this: That it has been a pleasure down here. I have been treated courteously, and, as I publicly stated to the press, when your investigators first came to Scranton, the district attorney's office, my entire staff would be only too glad to cooperate with you.

The CHAIRMAN. I might say in that connection, Mr. O'Malley, inasmuch as you mention it, that the information we have had has been such as to indicate that you have done just that.

For example, the captain of the State police has stated to us that you have rendered every possible assistance to them, that they have never received better cooperation than from you, that in every way you manifested a real desire to bring to light everything that ought

to be disclosed, and that you were very zealous and conscientious in the performance of your duty.

Mr. O'MALLEY. I am very glad to hear that. That is a nice compliment.

Mr. POLSKI. Mr. O'Malley, as a prosecutor in Scranton, what would you say your success has been in obtaining convictions against bookmakers, number writers, and lottery men?

Mr. O'MALLEY. I didn't hear the first part of your question, sir.

Mr. POLSKI. You are the prosecutor for Scranton?

Mr. O'MALLEY. That is right; for Lackawanna County.

Mr. POLSKI. What success have you had in obtaining convictions against numbers operators, lottery men, and bookmaking establishments?

Mr. O'MALLEY. I would say that periodically when the police agencies bring those cases to our office, in most instances they result in pleas, with sentences which complete the conviction.

Mr. POLSKI. What would you say the average sentence would be for an offense of that type?

Mr. O'MALLEY. The sentences in our county have been in most cases sentences involving \$100, \$200, \$300. There have been certain occasions where—from memory now I cannot give you the exact names or times, but in instances where jail sentences have been meted out.

Mr. POLSKI. There have been jail sentences?

Mr. O'MALLEY. From memory. I am going back.

Mr. POLSKI. Do you know for what period of time—30-day sentences, a year or more?

Mr. O'MALLEY. I would say that they run anywhere from 30 to 60 or 90 days.

Mr. POLSKI. Do you feel that the sentences meted out to these men are strong enough or should they be stronger?

Mr. O'MALLEY. You are asking a question which is a rather difficult one for a district attorney and a lawyer to pass upon or to answer, we will put it that way, because in doing that you are really passing upon the sentences of the court that you are an officer of.

Mr. POLSKI. Do you feel, Mr. O'Malley, that in view of the situation as has been presented this morning, the grand jury investigation would be warranted?

Mr. O'MALLEY. I think the nature of our work in Lackawanna County, as I have said already, that from what I have heard so far we can only handle that situation if the facts are developed sufficiently ourselves. I see no reason for a grand jury investigation from what I heard in this room today.

Mr. POLSKI. I am talking of the operations of the Baldassaris, and the Cohens, and the Sizes. What assurance would there be that these operations would not start up again?

Mr. O'MALLEY. Answering your question, which is a question developed by reason of the former question, what was developed today in the questioning of Baldassari, or one of the Baldassaris, was practically nothing, so that I have no evidence out of this room as of today which in my mind would be sufficient to warrant any particular action.

Mr. POLSKI. Don't you feel that by keeping an eye out on these particular individuals you can help to suppress this type of operation rather than control an entire area?

Mr. O'MALLEY. I might say this to you, sir. That the eye is being kept on all individuals who violate law in Lackawanna County as far as the district attorney's office is concerned, and if we have the cooperation of all police agencies, I can assure you any case that is presented to us with sufficient evidence, that we will do our utmost within due conscience according to our dictates as district attorney to see to it that convictions will be sustained.

Mr. POLSKI. I have no further questions.

The CHAIRMAN. I think that will suffice. I do think, Mr. O'Malley, we ought not to conclude without expressing the committee's appreciation for the cooperation given by other officials. I have particular reference to Judge Murphy, a very forthright man of high integrity, whom we have known for quite a while, and who has given every possible assistance, as well as the United States attorneys, Mr. McGuire and Mr. Brenner, and different other officials that I will not enumerate but from whom we have received very hearty cooperation, which is, of course, most gratifying to us.

Mr. O'MALLEY. I shall be glad to convey your words of appreciation to the gentlemen mentioned.

The CHAIRMAN. Include yourself, I want it understood.

Mr. O'MALLEY. Thank you very much for your courtesies. May I be excused?

The CHAIRMAN. Yes, indeed.

Joseph Scalleat, raise your right hand, please.

In the presence of Almighty God, do you swear that the testimony you give shall be the truth, the whole truth and nothing but the truth?

Mr. SCALLEAT. Yes, sir.

TESTIMONY OF JOSEPH SCALLEAT, HAZLETON, PA.

The CHAIRMAN. Thank you. Now will you kindly state your full name.

Mr. SCALLEAT. Joseph Scalleat.

The CHAIRMAN. Is that spelled S-c-a-l-e-a-t?

Mr. SCALLEAT. Correct.

The CHAIRMAN. And your address?

Mr. SCALLEAT. 594 Harrison Street, Hazleton, Pa.

The CHAIRMAN. 594?

Mr. SCALLEAT. Yes, sir.

The CHAIRMAN. Now how long have you lived in Hazelton?

Mr. SCALLEAT. Practically all my life.

The CHAIRMAN. And how long would that be approximately?

Mr. SCALLEAT. Well, I am going to be 40 in October.

The CHAIRMAN. What family do you have?

Mr. SCALLEAT. Wife and two children.

The CHAIRMAN. In what line of business have you been engaged?

Mr. SCALLEAT. I decline to answer that question. I stand on my constitutional rights, for fear it might incriminate me.

The CHAIRMAN. All right.

Mr. Polski, will you kindly resume?

Mr. POLSKI. Mr. Scalleat, you were asked to produce certain records and documents in reference to the subpena that you received. Do you have those with you?

Mr. SCALLEAT. No, I don't.

Mr. POLSKI. You do not. Why don't you have them?

Mr. SCALLEAT. Well, I think the Government has a record of my income-tax returns.

The CHAIRMAN. Is that all that you were asked to produce?

Mr. SCALLEAT. Well, it says there about property directly or indirectly; is that right?

Mr. POLSKI. I believe there were books and documents relating to your business operations also.

Mr. SCALLEAT. I haven't brought anything.

Mr. POLSKI. Why haven't you brought them?

Mr. SCALLEAT. I refuse to bring anything because it might incriminate me.

The CHAIRMAN. Are we to understand, Mr. Scalleat, that you ignored the request of the committee even to bring them with you?

Mr. SCALLEAT. Well, I don't know how to answer that question. I am not an attorney and I am trying to do the best I can.

The CHAIRMAN. Well, of course, you understand what I mean when I say that you apparently have ignored the request of the committee even to bring them, much less present them to the committee. Did you not feel that you at least ought to bring them with you, to have them available?

Mr. SCALLEAT. Well, I didn't think it was necessary.

The CHAIRMAN. All right; go ahead, Mr. Polski.

Mr. POLSKI. Mr. Scalleat, in the subpoena it stated that you were to bring your income-tax returns for the years 1945 to 1950, inclusive, your bank accounts, canceled checks, bank statement, and records of security holdings in which you appear directly or indirectly. Now how would your account, say, with any business in which you are involved incriminate you?

Mr. SCALLEAT. I still decline to answer that question.

Mr. POLSKI. You decline to say how it would incriminate you. Are you fearful of a Federal or State offense?

Mr. SCALLEAT. Just what do you mean, sir?

Mr. POLSKI. Well, the grounds that you are basing your refusal to answer on, is that based on a Federal offense or on a State offense?

Mr. SCALLEAT. Still it isn't clear to me.

Mr. POLSKI. Is the offense that you refuse to answer the question on based on a Federal question or is it based on a State question?

Mr. SCALLEAT. I am not going to answer if these fellows don't stop making me nervous.

The CHAIRMAN. We will ask the photographers if they will just give the witness an opportunity—

Mr. SCALLEAT. I was subpoenaed here as a witness, and I want to be a witness, but I don't want to be made nervous by these fellows.

The CHAIRMAN. You are entitled, Mr. Scalleat, to do what you want to do so that you calmly and without interruption proceed with your testimony.

Go ahead and take the picture now. I assume you have no objection to that?

Mr. SCALLEAT. Go ahead.

The CHAIRMAN. Now the question is, Mr. Scalleat, whether in declining to answer you base your declination on any fear of prosecution of either a State or a Federal offense?

Mr. SCALLEAT. I decline to answer that question.

The CHAIRMAN. In other words, you do not even want to state what you base it on?

Mr. SCALLEAT. No.

Mr. POLSKI. Did the offense that you have in mind occur more than 10 years ago?

Mr. SCALLEAT. The what?

Mr. POLSKI. Did the offense that you have in mind, that you are afraid of opening yourself to criminal proceedings on, occur over 10 years ago?

Mr. SCALLEAT. I decline to answer that question.

Mr. POLSKI. What was the answer? How many brothers do you have, Mr. Scalleat?

Mr. SCALLEAT. I decline to answer that question.

The CHAIRMAN. Would that incriminate you?

Mr. SCALLEAT. Sir, you gentlemen are going to ask me a lot of questions and you are going to make a chain around me. I am going to decline to answer every question you ask me.

The CHAIRMAN. In other words, Mr. Scalleat, so we may understand your position, you have come here in response to the subpoena of the Senate committee with the announced intention of refusing to answer any and every question?

Mr. SCALLEAT. What is my right?

The CHAIRMAN. Well, now did you just say you are going to refuse to answer every question?

Mr. SCALLEAT. What is my right? Do I have that right, for fear that it might incriminate me?

The CHAIRMAN. I am not your adviser, Mr. Scalleat.

Mr. SCALLEAT. But, Mr. Senator, I am an American citizen and I believe I can ask that question.

The CHAIRMAN. Yes, but all we are trying to do is to get your position clearly before us, and it is your position that you are going to decline to answer every question?

Mr. SCALLEAT. That is right, sir.

The CHAIRMAN. Regardless of the nature of it?

Mr. SCALLEAT. Of what?

The CHAIRMAN. Regardless of what it may be?

Mr. SCALLEAT. Whatever question you gentlemen ask me, I am going to ask to refuse for fear of incrimination. Stand on my constitutional rights.

The CHAIRMAN. Even though the question is about a matter as to your family, your brothers and sisters?

Mr. SCALLEAT. It doesn't matter.

The CHAIRMAN. You are going to refuse to answer that?

Mr. SCALLEAT. That is correct.

The CHAIRMAN. Let us ask a few questions along that line.

Mr. SCALLEAT. One question brings on another and you are just putting a chain around me, link, link by link.

The CHAIRMAN. What is your present address?

Mr. SCALLEAT. 594 Harrison Street.

The CHAIRMAN. And how long have you lived there?

Mr. SCALLEAT. Well, the biggest part of my life.

The CHAIRMAN. You are now between 39 and 40, as I understand your previous testimony.

Mr. SCALLEAT. That is right.

The CHAIRMAN. When did you first go to work?

Mr. SCALLEAT. I refuse to answer.

The CHAIRMAN. What school did you attend?

Mr. SCALLEAT. The public schools of Hazleton.

The CHAIRMAN. And when did you leave the public schools?

Mr. SCALLEAT. I believe in the eighth grade or the ninth, either one.

The CHAIRMAN. At the age of 13, 14, around there?

Mr. SCALLEAT. Fifteen, around there.

The CHAIRMAN. Fifteen or so. And did you go to work immediately?

Mr. SCALLEAT. I refuse to answer.

The CHAIRMAN. That's been 24 years ago. You certainly have nothing to fear by way of possible prosecution of something that happened 24 years ago when you were 15 years of age, Mr. Scalleat.

Mr. SCALLEAT. No; but I think it is my right to refuse.

The CHAIRMAN. Do you decline to say what kind of work you did at the age of 15?

Mr. SCALLEAT. Yes, I do.

The CHAIRMAN. And do you decline to tell us what kind of work you did in the years immediately following that?

Mr. SCALLEAT. Yes, I do.

The CHAIRMAN. Let me ask you this question, too, which is similar to a question asked before of others. Have you ever engaged in any legitimate business or occupation?

Mr. SCALLEAT. I decline to answer that question.

The CHAIRMAN. In other words, you decline to state whether at any time in your life you have done anything by way of legal business or honest employment. Do you decline?

Mr. SCALLEAT. Yes; I do.

The CHAIRMAN. Mr. Scalleat, so we may understand, the committee directs that you answer each of those questions, and are we to understand that you still refuse to answer?

Mr. SCALLEAT. For fear that it might incriminate me. I stand on my constitutional rights. I believe that I have the right to refuse.

The CHAIRMAN. Refuse to answer every question?

Mr. SCALLEAT. That is right.

The CHAIRMAN. All right, go ahead, Counsel.

Mr. POLSKI. Mr. Scalleat, do you have a brother by the name of Sam?

Mr. SCALLEAT. I refuse to answer.

Mr. POLSKI. How about a brother by the name of Albert?

Mr. SCALLEAT. I refuse to answer for fear it might incriminate me, and I stand on my constitutional rights.

Mr. POLSKI. Are the three of you at present in business known as the Hazel Vending Co.?

Mr. SCALLEAT. I refuse to answer for fear of incrimination.

Mr. POLSKI. What is the nature of that operation?

Mr. SCALLEAT. I refuse to answer.

Mr. POLSKI. Have you been connected with any illegal activities?

Mr. SCALLEAT. I refuse to answer.

The CHAIRMAN. Do you know Jack Parisi?

Mr. SCALLEAT. I refuse to answer.

The CHAIRMAN. Isn't it a fact that you were in contact with Jack Parisi who was the trigger man for Murder, Inc., when Jack Parisi was in the vicinity of Hazleton?

Mr. SCALLEAT. I refuse to answer.

The CHAIRMAN. Do you remember when Parisi was arrested in the rear of a dwelling?

Mr. SCALLEAT. I refuse to—

The CHAIRMAN. Near the corner of Harrison and Second Street in October of 1949. Do you remember that?

Mr. SCALLEAT. I refuse to answer.

The CHAIRMAN. And his hide-out was located, according to our information—we want to give you a chance to explain it—in a structure or a building which was occupied by and controlled by a relative of yours. Do you know anything about that?

Mr. SCALLEAT. I refuse to answer.

The CHAIRMAN. The Parisi that I referred to had been a fugitive for about 10 years, and according to our information had been the trigger man for Murder, Inc. Now are you prepared to give us any information on that or do you now avail yourself of the opportunity to clear any suspicion that might rest about you?

Mr. SCALLEAT. I don't know anything about anybody else. Therefore, I refuse to answer.

The CHAIRMAN. Well, now, of course, that statement is ridiculous on its face, Mr. Scalleat. We could not accept that because any man that says he does not know anything about anybody else, that statement is not even worthy of acceptance.

Mr. SCALLEAT. I like to mind my own business.

The CHAIRMAN. Then if you have had no improper connection with Jack Parisi, you now have the chance to tell anything at all you know about it if there is nothing to hide.

Mr. SCALLEAT. I refuse to answer.

Mr. POLSKI. Mr. Scalleat, isn't it a fact that you used to take Parisi for rides in the evening while he was in your custody?

Mr. SCALLEAT. I refuse to answer.

Mr. POLSKI. That Parisi was located at a house at 561 Harrison Street in the rear, a house which was owned by De Lorenzo, who, married your sister Nellie.

Mr. SCALLEAT. I refuse to answer.

Mr. POLSKI. Do you happen to know what they wanted Parisi for?

Mr. SCALLEAT. I refuse to answer. I stand on my constitutional rights. I have the right to refuse. I am going to refuse every question you ask.

Mr. POLSKI. Do you know where Mr. Parisi is at the present time?

Mr. SCALLEAT. I refuse to answer.

Mr. POLSKI. Do you own an automobile, sir?

Mr. SCALLEAT. I refuse to answer. I stand on my constitutional rights.

Mr. POLSKI. How is that going to incriminate you?

Mr. SCALLEAT. I have the right to refuse; don't I?

Mr. POLSKI. Not necessarily, unless you can show where it will involve a question which would warrant the right to refuse. Hundreds and thousands of people own automobiles.

Mr. SCALLEAT. That is right.

Mr. POLSKI. All I am asking you is do you own an automobile.

Mr. SCALLEAT. I refuse to answer.

The CHAIRMAN. That will conclude the testimony of Mr. Scalleat.

The Chair wishes to announce, because there is no use to delay the question, that you will be recommended for contempt for your conduct. Of course, that will necessarily have to be passed on by the whole committee, but the subcommittee will recommend to the full committee that you be cited for contempt. You are now excused.

Mr. SCALLEAT. Thank you, gentlemen.

The CHAIRMAN. David Haggerty. Will you raise your right hand, please.

In the presence of Almighty God, do you swear the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. HAGGERTY. I do.

TESTIMONY OF DAVID FRANCIS HAGGERTY, SCRANTON, PA., ACCOMPANIED BY DAVID F. SMITH, ATTORNEY, WASHINGTON, D. C.

The CHAIRMAN. Mr. Haggerty, will you kindly give us your name first?

Mr. HAGGERTY. David Francis Haggerty.

The CHAIRMAN. Be seated, please. Counsel, your full name?

Mr. SMITH. David F. Smith. I am a member of the District of Columbia bar, Senator.

The CHAIRMAN. Just for identification, Mr. Smith, would you be good enough to give your office address?

Mr. SMITH. 927 Fifteenth Street NW.

The CHAIRMAN. And Mr. Haggerty's address.

Mr. HAGGERTY. 216 Spruce Street, Scranton, Pa.

The CHAIRMAN. Mr. Smith, we are very glad to have you with us, and will you just be seated next to your client.

Mr. SMITH. May I make a preliminary statement for Your Honor, please?

The CHAIRMAN. Certainly.

Mr. SMITH. The subpoena has been served on the witness, and in compliance with it he has produced certain income-tax returns and bank records and canceled checks, and the subpoena was served late Sunday night and being summoned here was quite a surprise to the witness.

I would like to inform the Senator that, in general, the witness will have to decline on the ground of self-incrimination, but there may be certain questions that he can answer.

The CHAIRMAN. All right, Counsel, we will be very glad to just proceed and meet the situation as it comes up.

Mr. KING. Do you reside in Scranton, Pa.?

Mr. HAGGERTY. I do.

Mr. KING. Do you own a home there?

Mr. HAGGERTY. No, I don't. I don't own the building. I have home furnishings.

The CHAIRMAN. First of all, Mr. Haggerty, just so we may identify, do you hold any position in Scranton?

Mr. HAGGERTY. Well, I am an elected constable there.

The CHAIRMAN. Elected constable. In other words, in that jurisdiction constables are elected, are they?

Mr. HAGGERTY. Yes, they are.

The CHAIRMAN. And you are elected for the eighth ward?

Mr. HAGGERTY. Yes.

The CHAIRMAN. How long have you been holding that position?

Mr. HAGGERTY. I believe about 12 years.

The CHAIRMAN. About 12 years. Lived in the city the major portion of your life?

Mr. HAGGERTY. Yes.

Mr. KING. Would you furnish the committee with the records that you brought with you?

The CHAIRMAN. Just withdraw that question for the present.

Mr. KING. You have been in the office of constable continuously for 12 years?

Mr. HAGGERTY. I believe it is approximately 12 years.

Mr. KING. How frequently are those elections held? What is the term of office?

Mr. HAGGERTY. I believe when I was first elected it was for a 4-year term, and the next term 6 years, I believe, and this past time would be for an additional 6 years.

Mr. KING. Do you own some horses?

Mr. HAGGERTY. I do.

Mr. KING. Those are harness horses?

Mr. HAGGERTY. Harness horses; that is right.

Mr. KING. And do you race them?

Mr. HAGGERTY. I do; oh, yes.

Mr. KING. How many horses do you have?

Mr. HAGGERTY. At the present time two.

Mr. KING. Do you race them in Scranton or elsewhere about the country?

Mr. HAGGERTY. I have raced them principally in New York State.

Mr. KING. In New York State?

Mr. HAGGERTY. Yes.

Mr. KING. Do you have an interest in a horse room or bookie operation?

Mr. HAGGERTY. I respectfully decline to answer that on the grounds that it may tend to incriminate me.

Mr. KING. Do you know James Buz Caffrey?

Mr. HAGGERTY. I decline to answer that on the grounds that it may tend to incriminate me.

Mr. KING. You claim the privilege on the grounds that it would subject you to prosecution for a Federal offense?

Mr. HAGGERTY. I respectfully decline to answer that question on the grounds that it might tend to incriminate me.

Mr. KING. You refuse to elaborate as to whether you feel that you would be liable to prosecution under the Federal law rather than State law?

Mr. HAGGERTY. I must decline to answer.

Mr. KING. Did you at any time in the past have an interest in bookie operations or horse rooms?

Mr. HAGGERTY. I respectfully decline to answer that on the grounds that it may tend to incriminate me.

Mr. KING. Could you tell the committee about your earlier business life, your occupations?

Mr. HAGGERTY. Yes; I think so. I have been self-supporting since the time I was 15 or 16, I would say, and I worked as a produce merchant for a good many years.

The CHAIRMAN. Would you keep your voice up, please?

Mr. HAGGERTY. I will try to, Senator.

The CHAIRMAN. Maybe you can pull that a little bit closer to you.

Mr. HAGGERTY. Perhaps that will help.

Mr. KING. I did not hear the last answer.

Mr. HAGGERTY. I have always been more or less self-employed. For a good many years I huckstered and peddled fruit and vegetables from door to door and store to store.

Mr. KING. And did you begin your political career at that time in connection with that occupation?

Mr. HAGGERTY. I believe I was still—yes; I think so.

Mr. KING. Do you know how horse book operations in the Scranton area—

Mr. HAGGERTY. I must respectfully decline to answer that on the grounds that it may tend to incriminate me.

The CHAIRMAN. Pardon me just a second. Mr. Haggerty, we would like to have the benefit of any information you have about other operations than those in which you may have been a participant. In other words, this series of questions does not pertain to any operation that you may be involved in, and we are not making any charge that you are involved in any at this juncture.

The questions, however, relate to the operation of gambling by others than yourself, of which you may know. Now we would like to ask what knowledge do you have on that.

Mr. HAGGERTY. I will decline to answer that, too, Senator, on the grounds that it may—

The CHAIRMAN. And you do understand, of course, that we are not referring to operations in which you are a participant?

Mr. HAGGERTY. I decline to answer that on the grounds that it may tend to incriminate me.

Mr. KING. Mr. Haggerty, it seems extraordinary that a holder of public office and trust would come here and defend himself in that fashion. Don't you wish to reconsider your answers and cooperate with the committee in its quest for information?

Mr. HAGGERTY. I would like permission to confer with my attorney for just a moment, if you will.

The CHAIRMAN. Yes; go ahead.

Mr. HAGGERTY. Will you repeat the question?

The CHAIRMAN. Will you read it, please?

(The question was read by the reporter.)

Mr. HAGGERTY. Well, as the office of constable, as a minor office, and I have never been active as a constable, having never served warrants or anything of that sort.

Mr. KING. You mean you have been elected repeatedly to this office for a period of 12 years without ever fulfilling the duties of the office?

Mr. HAGGERTY. Well, the duties of the office are a minor nature. What I mean is it is not a paid office. I don't receive any salary from the State or city. It is strictly on a commission basis, evictions and things like that. I just never went in for it.

Mr. KING. You reported in 1949 under the item "Commissions" in your income tax the sum of \$13,000, which would imply considerable activity in this office.

Mr. HAGGERTY. I decline to answer that question on the grounds that it may tend to incriminate me.

Mr. KING. In the year 1950 you listed as commissions the sum of \$6,500 under "Commissions." I have not posed a question. I have made two statements. I wish to ask you what is included in that item "Commissions"?

Mr. HAGGERTY. I decline to answer that on the grounds that it may tend to incriminate me.

Mr. KING. You say that you derived no income from your activities as constable. Do you derive revenue from the activities of these racing horses?

Mr. HAGGERTY. Well, I have always been fortunate enough to break about even with them. I may have made a few dollars at one time or another with them.

The CHAIRMAN. Mr. Haggerty, it is quite hard to hear you, sir. Will you just keep your voice up. Thank you.

Mr. HAGGERTY. I am sorry, sir. I have always been fortunate enough to break about even with them. I mean I never made any great profit from them or any big loss.

Mr. KING. Then from the time that you stopped the vending and peddling business to the present, you have had no other source of income that you are willing to reveal to the committee, is that correct?

Mr. HAGGERTY. I will decline to answer that on the grounds that it may tend to incriminate me.

The CHAIRMAN. Mr. Haggerty, it is indicated that in your returns to the Federal Government, which are, of course, a matter of record—

Mr. HAGGERTY. Yes, sir.

The CHAIRMAN. That you did list this \$19,500 in the last 2 years as income, and presumably paid taxes on it, so that there is no charge of your not—

Mr. HAGGERTY. That is correct.

The CHAIRMAN. I assume that from what has been said. Are you not able to tell us what the nature of the work was for which you derived those commissions?

Mr. HAGGERTY. I decline to answer that, Senator, on the grounds it may tend to incriminate me.

Mr. KING. Do you own an automobile?

Mr. HAGGERTY. I do.

Mr. KING. What make of automobile?

Mr. HAGGERTY. Why, a 1948 Cadillac. I purchased it second hand.

Mr. KING. Is that car registered in your name?

Mr. HAGGERTY. It is.

Mr. KING. And do you own other property in Scranton?

Mr. HAGGERTY. No; I do not.

Mr. KING. The operation of race horses keeps you away from Scranton a good deal, is that correct?

Mr. HAGGERTY. I have been away considerable; yes.

Mr. KING. So that while you are holding this office of constable, you spend time with the horses elsewhere?

Mr. HAGGERTY. That is true.

Mr. KING. Now the income that you mentioned as coming from the horses, is that from betting or betting transactions, or was that from winning purses?

Mr. HAGGERTY. I don't believe that I mentioned any income that I derived from the horses.

Mr. KING. You stated that you a little better than broke even.

Mr. HAGGERTY. I said that I about broke even, or somewhere there. Yes; that's substantially true.

Mr. KING. Well, that implies some income to cover the expenses, the very substantial expenses of keeping horses and taking them from track to track. Is that income from betting transactions or is it from winning?

Mr. HAGGERTY. Oh, no, no; purse winnings.

Mr. KING. How extensive are those winnings? What is an approximation on a year's take on which you break even?

Mr. HAGGERTY. Senator, I don't wish to appear contemptuous of this proceeding, but on such short notice I am hardly prepared to answer questions of that type. I would have to consult the eligibility papers and different things of that sort.

The CHAIRMAN. Mr. Haggerty, the committee is not trying to hold you down to an exact figure. The question merely calls for an approximation of the amount involved. You can give what has been the range of it, just approximately, and you certainly would not be expected to remember to the dollar what it would be. The committee would not expect you to.

Mr. HAGGERTY. Will you just give me a moment, I will try and concentrate.

The CHAIRMAN. Go ahead.

Mr. HAGGERTY. I could pick out the earnings maybe or something approximately for one particular horse, or something like that. I think in the neighborhood of six or seven thousand dollars.

Mr. KING. Which is approximately absorbed by the expenses of keeping the horses and moving them around?

Mr. HAGGERTY. That is horse, per horse.

Mr. KING. Per horse?

Mr. HAGGERTY. Yes; approximately, with State payments and things of that nature.

Mr. KING. Do you take deductions for those expenses in reporting your income?

Mr. HAGGERTY. I will decline to answer that question on the grounds that it may tend to incriminate me.

Mr. KING. Mr. Haggerty, our main purpose in calling you here, I will emphasize again, is to avail ourselves of what we believe to be your intimate knowledge of bookmaking and horse room activity in the Scranton area, and I should like to urge you once more to cooperate with the committee so far as you can in giving us information about the extent of those operations, the source of the information that the bookmakers operate from and also from your intimate relationship to the political life of Scranton, the extent to which those bookmaking operations are involved in politics, the extent to which there are political contributions. Now, again, I have made a statement rather than asking you a question.

Mr. HAGGERTY. I would like to say again that I do not wish to appear contemptuous of these proceedings, but inasmuch as it was on such short notice, I must rely on the advice of my attorney.

Mr. KING. Do you know of any political contributions made from the gambling interests in connection with the political life of Scranton?

Mr. HAGGERTY. I will have to decline to answer that on the grounds it may tend to incriminate me.

Mr. KING. Do you know Pat Dunn?

Mr. HAGGERTY. Yes.

Mr. KING. Have you attended rallies and celebrations of a political nature given by Pat Dunn?

Mr. HAGGERTY. I don't believe any that Patrick Dunn ever gave. I am Democratic ward chairman of my particular ward, and I have attended Democratic rallies, if that is what you mean, but none that Patty Dunn sponsored, to my knowledge. I mean I don't recall ever having attended one that he had any connection with.

Mr. KING. Have you received contributions from Pat Dunn, political contributions?

Mr. HAGGERTY. Have I?

Mr. KING. Yes.

Mr. HAGGERTY. No.

Mr. KING. You heard earlier here today testimony that the bookmaking establishments in Scranton are closed down. Will you offer an opinion as to whether they are permanently closed and disbanded or whether there is a likelihood of their resuming operations?

Mr. HAGGERTY. I will have to decline to answer that. I don't have any knowledge of future events.

Mr. KING. Do you have knowledge of the record in the past of opening or closing of these bookmaking establishments?

Mr. HAGGERTY. I will decline to answer that on the grounds it may tend to incriminate me.

Mr. KING. Do you have any information that might help the committee on the extent and organization of the Treasury balance lottery business in Scranton?

Mr. HAGGERTY. I have no knowledge of that.

Mr. KING. Do you know Lou Cohen?

Mr. HAGGERTY. No. I have seen him but I don't know him.

Mr. KING. Do you have knowledge of the extent to which punchboard and similar gambling devices are distributed and played and used through Scranton?

Mr. HAGGERTY. I never paid any attention to punchboards. I mean I have seen punchboards or something like that, but I never paid any particular attention to them. I wouldn't hardly be qualified to answer that.

Mr. KING. Can you identify the Greek Social Club in Scranton?

Mr. HAGGERTY. I decline to answer that question on the grounds it may tend to incriminate me.

Mr. KING. Do you know the Metro Globe News Service?

Mr. HAGGERTY. I will decline to answer that, too.

Mr. KING. I have no further questions.

Mr. CHAIRMAN. I think that will conclude the questions. You will be excused.

You were asked to produce papers, and I do understand, Counsel, that your objection goes to that particular—

Mr. SMITH. Yes, I think so, Your Honor. There is some information listed in the returns. If we go into them it might produce a situation that could be said to incriminate him or tend to incriminate him.

The CHAIRMAN. We excluded the question at that point because we were on another line of questioning, but then to return to that, we do understand that he does decline to produce any of that.

Mr. SMITH. Yes, Your Honor.

The CHAIRMAN. All right. Thomas Sesso. Raise you right hand, please.

In the presence of Almighty God, do you swear the testimony you give to be the truth, the whole truth, and nothing but the truth?

Mr. SESSO. Yes.

TESTIMONY OF THOMAS SESSO, SCRANTON, PA.

The CHAIRMAN. You full name?

Mr. SESSO. Thomas Sesso.

The CHAIRMAN. Spelled S-e-s-s-o?

Mr. SESSO. Right.

The CHAIRMAN. What is your address?

Mr. SESSO. 421 North Nine, Scranton.

The CHAIRMAN. Scranton, Pa.?

Mr. SESSO. Right.

The CHAIRMAN. How long have you lived in Scranton?

Mr. SESSO. About 33 years.

The CHAIRMAN. Thirteen years?

Mr. SESSO. Thirty-three.

The CHAIRMAN. Thirty-three years. I beg your pardon. What family do you have?

Mr. SESSO. Three children.

The CHAIRMAN. Where did you live before going to Scranton?

Mr. SESSO. I used to live in New York.

The CHAIRMAN. In New York?

Mr. SESSO. That's right.

The CHAIRMAN. All right, Mr. King, will you proceed, please.

Mr. KING. What is your occupation?

Mr. SESSO. Shoemaker, used to be.

Mr. KING. A shoemaker?

Mr. SESSO. Used to be.

Mr. KING. Used to be?

Mr. SESSO. That's right.

Mr. KING. How long ago was that?

Mr. SESSO. About 20 years ago.

Mr. KING. Twenty years ago. And what has been your occupation since?

Mr. SESSO. I used to be betting commissioner.

Mr. KING. A betting comissioner?

Mr. SESSO. That's right.

Mr. KING. And a betting commissioner, will you explain what that is?

Mr. SESSO. Well, I used to take a bet on the numbers.

Mr. KING. You received bets on numbers?

Mr. SESSO. That's right.

Mr. KING. And how long have you been in that business?

Mr. SESSO. Well, since 1932, and I quit about 2 months ago.

Mr. KING. You quit about 2 months ago?

Mr. SESSO. Two months ago; that is right.

Mr. KING. Then you are in a position to tell us a good deal about the numbers business?

Mr. SESSO. If I can.

Mr. KING. In Scranton. Could you tell us about how many operators there have been in the numbers business? Now this is not the Treasury lottery business. This is numbers; is that correct?

Mr. SESSO. That's correct.

Mr. KING. How many operators have there been?

Mr. SESSO. Oh, I wouldn't like to say. I just want to speak for myself. Everything you want to know about me. I tell you, but other people, I don't think I care to tell.

Mr. KING. We are asking you to tell us the facts of which you have knowledge.

Mr. SESSO. Not of other people. I don't. I just want to speak for myself, whatever I know about myself.

Mr. KING. You do not want to tell us about other numbers—

Mr. SESSO. I don't like to talk about other people because it is not necessary. Just tell about myself and I will answer the questions.

Mr. KING. To tell us about your numbers operations before you closed it, how many employees did you have?

Mr. SESSO. I never had any employees. They used to work on commission. I used to have about nine. They used to work on commissions.

Mr. KING. In other words, you gave commissions to people to go out and sell?

Mr. SESSO. If they bring it in, all right. If they don't, all right, too. They used to get commission out of it.

Mr. KING. What numbers did you use to pay off?

Mr. SESSO. We used three, five, and seven in New York race or Florida race.

Mr. KING. The results of races?

Mr. SESSO. The result of races; that's right.

Mr. KING. Is that what numbers operators usually do?

Mr. SESSO. Right.

Mr. KING. Did you make bets with other numbers operators?

Mr. SESSO. No, sir.

Mr. KING. Do other numbers operators exchange bets?

Mr. SESSO. No, sir.

Mr. KING. They operate singly?

Mr. SESSO. I never do.

Mr. KING. How large was the revenue from that?

Mr. SESSO. Oh, I imagine between fifteen and twenty thousand dollars a year.

Mr. KING. Fifteen to twenty thousand dollars a year?

Mr. SESSO. That's gross, I am talking about.

Mr. KING. That is gross?

Mr. SESSO. That is right.

Mr. KING. And that was in the Scranton area?

Mr. SESSO. Right in two blocks, Penn Avenue.

Mr. KING. Within two blocks?

Mr. SESSO. That's right.

Mr. KING. In other words, you only sold within two blocks?

Mr. SESSO. Between Mulberry Street and Spruce Street.

Mr. KING. And you sold through cigar stores or did your people sell on the streets?

Mr. SESSO. On the streets, they used to sell them.

Mr. KING. And you took \$20,000 a year?

Mr. SESSO. Fifteen to twenty, the gross.

Mr. KING. In those two blocks in Scranton?

Mr. SESSO. That's right, between Mulberry and Spruce, which Mr. Martin knows.

Mr. KING. Are the operators making that much in other areas or is this the best area?

Mr. SESSO. I can't tell you. I just want to tell you I used to book on Penn Avenue between Mulberry and Spruce Street. Now Mr. Martin can verify if I lie.

Mr. KING. Do you have brothers, Mr. Sesso?

Mr. SESSO. Yes.

Mr. KING. What are their names?

Mr. SESSO. One is Dominick, one is Ernie.

Mr. KING. What are their occupations?

Mr. SESSO. Ernie has a restaurant and saloon, and Dominick has been sick. He is crippled up.

Mr. KING. What did he do before he was ill?

Mr. SESSO. He used to be barber. He used to be betting commissioner, too.

Mr. KING. Betting commissioner?

Mr. SESSO. That's right.

Mr. KING. Was he also in the numbers?

Mr. SESSO. No.

Mr. KING. What was his area?

Mr. SESSO. I don't know. You have got to ask him.

Mr. KING. Was he in the horse-betting business?

Mr. SESSO. No.

Mr. KING. He was not.

Mr. SESSO. No.

Mr. KING. Did you remain continuously in Scranton during these years that we have been talking about?

Mr. SESSO. Yes.

Mr. KING. Since you have been in the numbers business?

Mr. SESSO. That's right.

Mr. KING. Have you been connected in the past with lotteries?

Mr. SESSO. No.

Mr. KING. Have you been a distributor for lotteries?

Mr. SESSO. No, sir.

Mr. KING. Do you know Lou Cohen?

Mr. SESSO. No, sir.

Mr. KING. Have you seen people buying lottery tickets in this area where you were selling numbers?

Mr. SESSO. I don't know. I don't like to answer that question.

Mr. KING. May I request that the chairman instruct the witness.

Mr. SESSO. I don't have to answer other people's affairs.

The CHAIRMAN. Mr. Sesso, we must direct you and do direct you to answer the question.

Mr. SESSO. Some of the questions you ask me, I will cooperate, but some I don't like to answer.

The CHAIRMAN. It isn't a question of what you like. It is a question of what the committee wants to ask you and what you are required to answer.

Mr. SESSO. I like to answer all the questions I can.

The CHAIRMAN. There may be some questions that you are not required to answer.

Mr. SESSO. That's right.

The CHAIRMAN. But there are others that you may be required to answer.

Mr. SESSO. That's right.

The CHAIRMAN. Even though you do not like to do so, I must direct that these questions be answered.

Go ahead.

Mr. KING. Did you leave Scranton in the year 1928 and go to Paterson, N. J.?

Mr. SESSO. Yes, I did.

Mr. KING. And how long did you remain there?

Mr. SESSO. I remained there until 1930.

Mr. KING. And what was your reason for leaving?

Mr. SESSO. Huh?

Mr. KING. What was your reason for leaving Scranton?

Mr. SESSO. I was sick, and see, my wife lived there in New Jersey, so I went to live in my in-laws' house.

Mr. KING. Did your brothers go with you?

Mr. SESSO. No.

Mr. KING. Did you engage in the numbers business in Paterson while you were there?

Mr. SESSO. No.

Mr. KING. Did you continue to run the numbers business in Scranton while you were there?

Mr. SESSO. I was trying to, but I didn't make good.

Mr. KING. You attempted at one time around 1934 to withdraw from the numbers business.

Mr. SESSO. That's right.

Mr. KING. That is, you terminated that for a while?

Mr. SESSO. That is correct.

Mr. KING. Then you went back in again. Now you said that you operate through commission agents in this area in Scranton?

Mr. SESSO. That is correct.

Mr. KING. How many of these agents do you have?

Mr. SESSO. About nine.

Mr. KING. About nine?

Mr. SESSO. Nine.

Mr. KING. It has not been more than nine or less than nine?

Mr. SESSO. No, sir. A little less, someday got eight, someday got seven. People get a job and quit, then they come back.

Mr. KING. In other words, with 9 or 10 commissioned employees, you were able to gross fifteen to twenty thousand dollars a year?

Mr. SESSO. That's right.

Mr. KING. Will you explain how that gross is divided between the commission man and yourself.

Mr. SESSO. Well, if a man brings in ten dollars, he only brings in seven and a half.

Mr. KING. He keeps—

Mr. SESSO. Ten dollars gross, he keeps twenty-five percent.

Mr. KING. And you are the operator so you then get the seven and a half?

Mr. SESSO. That's right.

Mr. KING. From that you pay—

Mr. SESSO. I pay the winner.

Mr. KING. Pay off?

Mr. SESSO. That's right.

Mr. KING. Can you give us an idea how big that pay-off is? That is out of the seven and a half as it comes in during the days and weeks, how much do you keep?

Mr. SESSO. You mean by day?

Mr. KING. Well, now, an average of how much you have to pay back.

Mr. SESSO. Usually you pay out of all the money you get, you wind up with about 15, 16 percent clear.

Mr. KING. Fifteen or sixteen percent of the gross. Why did you confine your area to only two blocks in Scranton?

Mr. SESSO. Because I want to avoid the police so the police wouldn't get me. When a man don't stretch too far, the police never get you.

Mr. KING. Did the police tell you to stay in that area?

Mr. SESSO. No. See, I got pinched a few times, so I stopped.

Mr. KING. How many times were you arrested?

Mr. SESSO. Well, about three, four times.

Mr. KING. Three or four times?

Mr. SESSO. I don't know exactly.

Mr. KING. And will you tell us what happened in each of those instances?

Mr. SESSO. I paid \$100 fine every time.

Mr. KING. Those were all gambling charges?

Mr. SESSO. I wasn't always pinched. Once a man got pinched and I paid a fine for him.

Mr. KING. When your runners got pinched, you paid the fine?

Mr. SESSO. That's right.

Mr. KING. How many times did that occur?

Mr. SESSO. Three or four times.

Mr. KING. Three or four times?

Mr. SESSO. That's right.

Mr. KING. But you were never arrested?

Mr. SESSO. No.

Mr. KING. You never have been arrested on a gambling charge?

Mr. SESSO. No. I used to go in and they said I was the boss and I used to pay the \$100.

Mr. KING. And you have operated continuously with the exception of this—

Mr. SESSO. Not continuous. Sometimes you stop for 3 or 4 mon^t and then you start up again.

Mr. KING. Why do you stop?

Mr. SESSO. Because the thing don't go so good, you stop.

Mr. KING. Things don't go so good?

Mr. SESSO. That's right.

Mr. KING. You mean by that the police tell you to stop?

Mr. SESSO. No, no police tell me to stop because the police won't know.

Mr. KING. If you were making \$20,000 a year in these two blocks, it certainly must have been obvious to the police officers on the beat.

Mr. SESSO. No, they wouldn't know.

Mr. KING. How did you sell these numbers?

Mr. SESSO. I don't sell them.

Mr. KING. Well, how did your—

Mr. SESSO. The people goes perhaps to the house, goes to the street, and they give them a number, nickel, dime, quarter, whatever they are. The bigger bet, they only can take a dollar, not any more than a dollar because a small business, you can't go out and stretch too far.

Mr. KING. But you found if you spread out more than two blocks, then the police could begin to crack down on you?

Mr. SESSO. That's right.

Mr. KING. Is that why these men that were arrested were not out of the area?

Mr. SESSO. That's perfectly right.

Mr. KING. I would like to ask you again were there other numbers operators in other areas around you?

Mr. SESSO. I don't like to answer that. Please don't ask me that question again. I answer every question you want—

The CHAIRMAN. You did not have any interest in any other operations?

Mr. SESSO. No, not at all.

Mr. KING. You sometimes received winning numbers from other cities?

Mr. SESSO. No, sir.

Mr. KING. Or paid off?

Mr. SESSO. We get the number out of the local paper. In Scranton we get the number out of.

Mr. KING. When your runners were arrested, you went down to the station and told the policeman that you were the boss?

Mr. SESSO. Sometimes I went in and sometimes I sent in somebody in to pay \$100 fine.

Mr. KING. Was that a fine or was that bail?

Mr. SESSO. Fine.

Mr. KING. That was a fine, fined \$100 each time?

Mr. SESSO. That is right.

Mr. KING. And that only occurred three or four times?

Mr. SESSO. Around that, three, four, five. I don't know exactly the time.

Mr. KING. Do you drive an automobile?

Mr. SESSO. Yes, sir.

Mr. KING. What make?

Mr. SESSO. Lincoln.

Mr. KING. A Lincoln. A recent Lincoln?

Mr. SESSO. Yes.

Mr. KING. Is that registered in your name?

Mr. SESSO. Yes.

Mr. KING. Were you ever approached for a payoff by the police officers during all these years that you were operating there?

Mr. SESSO. No, sir.

Mr. KING. And you never had an understanding?

Mr. SESSO. No.

Mr. KING. Having lived and worked in this area, you must have an acquaintance with the law officers.

Mr. SESSO. Never.

Mr. KING. Never been approached?

Mr. SESSO. Never.

Mr. KING. Never made a contribution of any kind?

Mr. SESSO. No, sir.

Mr. KING. Have you ever contributed to a political campaign?

Mr. SESSO. No, sir.

Mr. KING. Given to political rallies or entertainments?

Mr. SESSO. No, sir.

Mr. KING. Never had any relationships with the political—

Mr. SESSO. No, sir.

Mr. KING. Where is your present headquarters for this operation?

Mr. SESSO. Nowhere. I just pick them up.

Mr. KING. You just pick them up?

Mr. SESSO. Pick them up in the street.

Mr. KING. Your runners must meet you somewhere.

Mr. SESSO. They meet me in the street and I pick them up. I pass by with the car and I used to pick them up in the street.

Mr. KING. I want it clear you stopped 2 months, so we are going to be talking about the operation that you suspended.

Mr. SESSO. That's right.

Mr. KING. And you had no headquarters in this two-block area?

Mr. SESSO. I never have any.

Mr. KING. Do you know Red's shoe-shine parlor?

Mr. SESSO. Yes, sir.

Mr. KING. On Spruce Street. Did you ever use that as headquarters?

Mr. SESSO. No, sir; never did.

Mr. KING. Have you ever had a headquarters?

Mr. SESSO. No, sir.

Mr. KING. Always worked just contacting your people and picking them up?

Mr. SESSO. That's right.

Mr. KING. Where do people who win come to be paid off?

Mr. SESSO. They meet me on the corner on Spruce Street, Wyoming, some place like that, Mulberry Street, and I give them the envelope.

Mr. KING. The winners meet you, not your agents?

Mr. SESSO. No; the agents meet me, not the winner.

Mr. KING. In other words, you pay the agents and the agents pay off?

Mr. SESSO. The agents pay the winner; that's right.

Mr. KING. You left Scranton again in 1947, didn't you?

Mr. SESSO. That's right; I went to Europe.

Mr. KING. And you went abroad?

Mr. SESSO. That's right.

Mr. KING. And was that a pleasure trip?

Mr. SESSO. No; I was sick.

Mr. KING. You were ill?

Mr. SESSO. That is right; I was sick. I had a bad stomach and I went to a doctor in Naples.

Mr. KING. You were in Naples. Did you see Lucky Luciano?

Mr. SESSO. I don't know him.

Mr. KING. You did not see him?

Mr. SESSO. Never saw him.

Mr. KING. Why did you give up this business again 2 months ago?

Mr. SESSO. Well, the thing wasn't getting so good and, you know, the police after, this was after, so I quit.

Mr. KING. The police were after you?

Mr. SESSO. Sure.

Mr. KING. Well, now when you said before that things weren't looking so good; isn't that what you meant, the police were after you?

Mr. SESSO. That's right. Not after me, but when I see things getting towards, so I quit.

Mr. KING. But there has never been any difference in the business of running the numbers. You can make your income from it any time, so that when you stopped and when you started each of these times, it was because the police were putting pressure on?

Mr. SESSO. That's right.

Mr. KING. Now you said you had no relations with the police. How could you tell when they were putting pressure on?

Mr. SESSO. I can tell. The newspaper come out—

The CHAIRMAN. Mr. Sesso, you will have to go a little slower than that.

Mr. SESSO. I don't want him to write down.

The CHAIRMAN. Will you be kind enough to repeat that last answer a little more slowly.

Mr. SESSO. Sometime we get the order from the city gives the order out to the cops, something comes out, then I just stop.

Mr. KING. How can you tell when they open?

Mr. SESSO. Sometimes they open, start one ride, two ride.

The CHAIRMAN. Talk a little louder.

Mr. SESSO. Start with one ride, two ride, a little at a time so the police won't know.

Mr. KING. I did not hear that.

Mr. SESSO. I say when you open again you always start one man, two men so the police won't ever know it.

Mr. KING. Didn't you tell one of our investigators that about the time of this closing that you had received an order, that you had an order to close?

Mr. SESSO. I never told I got an order from the police. I talked with your investigator but I never give him no police.

Mr. KING. That was about the time you were closing?

Mr. SESSO. That's right.

Mr. KING. And you told him you were closing then?

Mr. SESSO. That's right. Oh, that was the time when Mr. O'Malley sent Mr. Chief Munley, when Chief Munley used to tell the people. Then I told him I was closed already.

Mr. KING. Chief Munley must have known you were operating in order to come to you.

Mr. SESSO. He know I stopped, but he come to me anyhow. He knows I wasn't operating any more.

Mr. KING. So in this two-block area where you were working in secret, as soon as Chief Munley wanted to see you, he came down and saw you, is that right?

Mr. SESSO. That is right. He called me up. I went down and I saw him and the Trooper Robinson, and I told him I was closed already. He said, "We know."

Mr. KING. He told you to come down to the city hall?

Mr. SESSO. That's right. No, not to the city hall. I never went to the city hall.

Mr. KING. To the police station?

Mr. SESSO. No. Chief Munley called me up, Robinson, the trooper, so they call me up, was up at my house. They come in, they parked the car in front of my house, and they told me to stop. I told him I was stopped already. He said, "We know. We come in to warn you not to open again." I say, "O. K."

Mr. KING. Don't you want to reconsider your earlier statement, then, that all these years you were operating without the police knowing anything about it?

Mr. SESSO. No.

Mr. KING. Don't you realize those are flatly contradictory statements?

Mr. SESSO. They're no contradictory statement in there.

The CHAIRMAN. Did they ever come down and see you while you were operating?

Mr. SESSO. No.

The CHAIRMAN. The only time they came down is after you closed?

Mr. SESSO. That's right.

The CHAIRMAN. And then when you had closed they came down and told you that they already knew you had closed?

Mr. SESSO. They warned me not to open again. They come down and warned me.

The CHAIRMAN. So the only time they came down was when you were not operating?

Mr. SESSO. I told them, O. K., it was all right.

The CHAIRMAN. And they got word pretty fast you were closed?

Mr. SESSO. I was closed.

The CHAIRMAN. Do you think they had information that you were going and operating?

Mr. SESSO. I can't tell you. I don't know.

Mr. KING. Are you planning to reopen?

Mr. SESSO. No, sir.

Mr. KING. If you were planning to reopen, how would you know, that is, these other times when you closed like this, did someone come from the police department and tell you to reopen?

Mr. SESSO. I wouldn't know when to reopen. The only thing, sometimes you reopen a little at a time and other time you don't open. Other time you stay closed 6 months, stay closed a year. It don't make no difference.

Mr. KING. Do you know Gil Size?

Mr. SESSO. Who?

Mr. KING. Gil Size?

Mr. SESSO. Who is he?

Mr. KING. Gil Size, the brother of Joe Size.

Mr. SESSO. No, all I know, Joe. I know Joe Size.

Mr. KING. You know Joe?

Mr. SESSO. I know Joe, Joe Size. I know him.

Mr. KING. You know Joe?

Mr. SESSO. That's right.

Mr. KING. Have you ever had business relations with Joe?

Mr. SESSO. No, sir.

Mr. KING. Do you know what Joe's occupation is?

Mr. SESSO. I don't know and I don't care. Whatever he does is not my business.

Mr. KING. Do you know him pretty well?

Mr. SESSO. Not so good, but I know everybody. I am in this country 33 years. I should know everybody.

Mr. KING. That is what I thought in connection with the police operation, Mr. Sesso. You must know most of the police.

Mr. SESSO. I know most of the police, that is right.

Mr. KING. You know most of the police and most of the police know you?

Mr. SESSO. I suppose.

Mr. KING. So that you operate with at least a social, friendly relationship with most of the police force?

Mr. SESSO. No relationship. I know them. There is no relationship there. There is no love lost.

Mr. KING. Do you know Lou Cohen?

Mr. SESSO. No, sir, never met him.

Mr. KING. You don't know Lou Cohen?

Mr. SESSO. Never met him.

Mr. KING. Have you ever spent money of your own in connection with political campaigns in this area where you are working?

Mr. SESSO. No, sir; don't make enough to spend.

Mr. KING. You have never spent money on a political campaign?

Mr. SESSO. Never did.

Mr. KING. You never made a political contribution?

Mr. SESSO. Never did.

Mr. KING. And you have never made a direct pay-off to anyone?

Mr. SESSO. Never did; that's right.

Mr. KING. Do you know the Acquilinas in Pittston?

Mr. SESSO. No, sir.

Mr. KING. Do you know the Scalleats in Hazleton?

Mr. SESSO. I just met him today.

Mr. KING. Do you know Jimmie Mack?

Mr. SESSO. Yes, I do. Jimmie Mack, I know for a long time.

Mr. KING. Have you ever had any business relations with Jimmie Mack?

Mr. SESSO. No, sir.

Mr. KING. When you left the shoemaker business and went into the numbers, can you tell us about what your net worth was, about how much money you had or property?

Mr. SESSO. I don't think I had any money.

Mr. KING. You had nothing?

Mr. SESSO. I had nothing. I started a little at a time.

Mr. KING. And you have been in the numbers business now for—

Mr. SESSO. Nothing, maybe I had two or three hundred dollars, five hundred dollars.

Mr. KING. You have been in your own business now for 20 years?

Mr. SESSO. That's right.

Mr. KING. Can you tell us what your net worth is now?

Mr. SESSO. Well, I got everything here to show you. I brought it down with me. I don't have to tell everybody. You can look at it.

Mr. KING. Well, can you give us an approximation of the property you own?

Mr. SESSO. How much in cash and everything, you mean?

Mr. KING. Your net worth.

Mr. SESSO. Well, I own about \$15,000 cash and I got about three properties.

Mr. KING. Three properties. Are those business properties?

Mr. SESSO. No; I rent them.

Mr. KING. Is that including your home?

Mr. SESSO. No. I rent them but I expect to move into my home in a couple months.

Mr. KING. You are building?

Mr. SESSO. No; I got a house.

Mr. KING. You have a house?

Mr. SESSO. I am going to fix it and move in myself. I got about three houses so I am going to fix one for myself. After so many years I will have a home.

Mr. KING. And you have the three properties?

Mr. SESSO. That's right.

Mr. KING. Do you have other investments?

Mr. SESSO. I collect the rent on.

Mr. KING. Do you have other investments?

Mr. SESSO. I got a little mortgage. I collect the rent on that, too, collect a little mortgage money.

Mr. KING. Do you have any interest in horse rooms?

Mr. SESSO. No, sir.

Mr. KING. Nothing?

Mr. SESSO. Never.

Mr. KING. You do not accept that sort of bet?

Mr. SESSO. No, sir.

Mr. KING. Who is this mortgage with? Whom did you loan the money to?

Mr. SESSO. I got the name. I got everything here if you want to see.

Mr. KING. Can you give us the name?

Mr. SESSO. Yes; I got it here.

Mr. KING. Will you give it to us, please?

Mr. SESSO. Why should I give it? Why can't you look at it? I got it here. Why give it to everybody? Suppose we don't want the people to know who those people they are. You can look at it.

Mr. KING. You are not being very cooperative.

Mr. SESSO. I want to cooperate with you.

Mr. KING. Was the mortgage given to someone that is of interest to this committee?

Mr. SESSO. The committee can look at it. I have got it, every paper here. Why should everybody listen? I got every paper here you people want to see. If you want to see it, I got it right here.

Mr. KING. Would you submit those to us?

Mr. SESSO. Yes, that's why I brought them down.

Mr. KING. Can you give us the name of the man who borrowed the money from you on that mortgage?

Mr. SESSO. Yes, his name is Peter Bagliva.

Mr. KING. And what is his occupation?

Mr. SESSO. He work on the railroad.

Mr. KING. He works on the railroad?

Mr. SESSO. That's right.

Mr. KING. And he is not connected with the numbers game?

Mr. SESSO. No; he is a workingman. He work on the railroad. He fixed his house and I give him the money to fix, give him \$3,500 to fix the house.

Mr. KING. In general, then, you are a man of substantial property now. You have investment properties, you have cash in the bank?

Mr. SESSO. That is right.

Mr. KING. You have a big car. You are in a very comfortable position, and that is exclusively from the operation of the numbers game in this area which you have described to the committee?

Mr. SESSO. Well, I quit, didn't I?

The CHAIRMAN. But will you answer the question first?

Mr. SESSO. That is the question he asked me; isn't that right?

Mr. KING. You are retiring now on your earnings?

Mr. SESSO. That's right. Right now I don't do nothing. When the future coming, I don't know what I do.

Mr. KING. I have no further questions except to ask this witness if he has anything that he would like to contribute further to the committee that would bear on the problem that we are discussing and investigating here, which is the problem of organized crime in interstate commerce.

The CHAIRMAN. Is there anything you desire to say?

Mr. SESSO. I got nothing to say. Just if you ask me questions, if I think I know, I tell you. If I don't, I don't.

Mr. KING. Mr. Sesso, I have been doing some figuring here. You have been grossing about \$20,000 a year from this numbers operation.

Mr. SESSO. That's right.

Mr. KING. And you say your take as the operator is about 16 percent.

Mr. SESSO. That's right.

Mr. KING. On \$20,000?

Mr. SESSO. That's right.

Mr. KING. Now that amounts to \$3,200 a year.

Mr. SESSO. That's right.

Mr. KING. I wonder if you don't want to reconsider since you have accumulated all this property, since you are about to retire, since you have told us there is nothing but the income from the numbers, I think you must have misstated the volume of this business, and I wish you would reconsider that.

Mr. SESSO. Reconsider what?

The CHAIRMAN. In other words, \$3,200 isn't the total that you have been taking in for yourself a year, is it?

Mr. SESSO. Well, you got to figure this way. Little I get rent, you know, sometimes you win a little more, sometimes a little less. I average what I think is the best, about 16 percent.

You've got 25 percent the best on the book number, but you know the amount is small. Don't figure that much, figure a little less, so I figure about 16 percent. Maybe figure a little more because I didn't go to school that much. All I went to is third grade, you know.

Mr. KING. I have no more questions.

The CHAIRMAN. All right, that is all, Mr. Sesso.

Mr. SESSO. Thank you.

The CHAIRMAN. Captain Beynon. Captain Beynon, will you raise your right hand, please.

In the presence of Almighty God, do you swear that the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. BEYNON. Yes, sir.

TESTIMONY OF RICHARD L. BEYNON, SCRANTON (PA.) POLICE DEPARTMENT, ACCOMPANIED BY SAMUEL GORSON

The CHAIRMAN. Now will you give your full name, please?

Mr. BEYNON. Richard L. Beynon.

The CHAIRMAN. And your position?

Mr. BEYNON. Traffic captain, Scranton police department.

The CHAIRMAN. And for how long have you been connected with the department?

Mr. BEYNON. Eighteen years.

The CHAIRMAN. And what type of work have you done?

Mr. BEYNON. Well, I have been a patrolman, been a sergeant, been a lieutenant, been back to a patrolman, up to a captain.

The CHAIRMAN. All right, Mr. King, will you proceed.

Mr. KING. Can you tell us the pay scale for police officers in Scranton, Mr. Beynon?

Mr. BEYNON. My pay is around \$3,500.

Mr. KING. As a captain?

Mr. BEYNON. Yes, sir.

Mr. KING. And how does that scale down through to the private?

Mr. BEYNON. Well, I think a lieutenant is around thirty-two, sergeant around three, and a patrolman around twenty-seven. I am not positive. I think something in that order.

Mr. KING. Twenty-seven hundred dollars for a patrolman?

Mr. BEYNON. I think so.

Mr. KING. Now did I get the correct impression that when you listed the ranks you held, they were not in order? In other words, did you begin as a patrolman and work up, or were you a private after you were a lieutenant?

The CHAIRMAN. In other words, you did not go into another branch of the service?

Mr. BEYNON. I was a patrolman at first. Then I was later a sergeant, then a lieutenant. Then I was reduced to a patrolman for 4 years, and then I had taken the captain's examination and in 4 years I was back as a captain.

Mr. KING. Why were you reduced, Captain?

Mr. BEYNON. Political reasons.

Mr. KING. For political reasons?

Mr. BEYNON. That is what I understood. I don't know.

Mr. KING. Is that common practice on the force? Are these political positions?

Mr. BEYNON. That's right. It has been up to about 3 or 4 years ago.

Mr. KING. But that situation has now been remedied?

Mr. BEYNON. Yes. We understand now we have civil service and we are certified, and it gives us a little protection now.

Mr. KING. What did you do before you joined the police force?

Mr. BEYNON. I was a police officer with the Lackawanna Railroad.

Mr. KING. Are you a native of Scranton?

Mr. BEYNON. Yes, sir.

Mr. KING. What are your duties as a traffic captain now?

Mr. BEYNON. My duties as a traffic captain is to see that traffic moves in the city of Scranton.

Mr. KING. And what are the duties of the other captains?

Mr. BEYNON. Well, there is only another captain in the daytime, and he is a captain of detectives.

Mr. KING. You have a detective captain and a traffic captain?

Mr. BEYNON. That is right.

Mr. KING. And you are responsible only for traffic?

Mr. BEYNON. For traffic.

Mr. KING. Not responsible for the activities of the force?

Mr. BEYNON. Well, that is the traffic force downtown, because between 8 and 4 it is just traffic that I take care of. I am the traffic captain.

Mr. KING. Well, you are actually the day captain on the force, aren't you?

Mr. BEYNON. That is right.

Mr. KING. Which means you are responsible for everything?

Mr. BEYNON. Oh, no, sir; just for traffic.

Mr. KING. I see, and the other captain is responsible—for instance, when you were directing traffic down in the area that Mr. Sesso has been telling us about, it was not your responsibility or the responsibility of your patrolmen to pay any attention to this gambling operation that was going on?

Mr. BEYNON. No, sir.

Mr. KING. And that division runs through the entire force, the entire set-up?

Mr. BEYNON. That's right.

Mr. KING. Captain, will you tell us about the raid which was conducted quite recently, May 24, on a gambling establishment at 821 West Lackawanna Avenue. There have been reports that eight or nine men were apprehended in the place, and by the time the lieutenant arrived, there were only two or three.

Can you tell us the circumstances under which this occurred and disciplinary action that has been taken since or the circumstances surrounding it?

Mr. BEYNON. No; that wasn't under my jurisdiction.

Mr. KING. This would have been under one of the other captains?

Mr. BEYNON. Well, I don't know that. I know it wasn't under mine at that time. It was after my time. I worked from 8 to 4.

Mr. KING. And you have no knowledge, you haven't heard anything, you don't know what happened in that?

Mr. BEYNON. I do not know what happened.

Mr. KING. We will suspend for a moment.

The CHAIRMAN. We will now take a 10-minute recess.

(A short recess was taken.)

The CHAIRMAN. The hearing will please come to order.
Counsel, will you continue?

Mr. KING. Captain Beynon, in your long experience on the force in Scranton, you must have a pretty good knowledge of the operations that we have been discussing here today. Can you tell us about these horse rooms that are operating in Scranton?

Mr. BEYNON. Yes. I know that there were horse rooms in Scranton.

Mr. KING. And did they operate for a long period before they closed this recent time, or have they been opening and closing?

Mr. BEYNON. Opening and closing.

Mr. KING. What determines the opening and closing?

Mr. BEYNON. That I would not know.

Mr. KING. Were there many arrests and prosecutions in connection with the booking business there?

Mr. BEYNON. Not by me. As I told you, I am a traffic captain, and I do not know. That comes under the detective—

Mr. KING. You are familiar with the activities of the force, surely?

Mr. BEYNON. That is right.

Mr. KING. And were there prosecutions or have there been crack-downs before by the police force there?

Mr. BEYNON. Yes; yes.

Mr. KING. And they closed down and then they opened again.

Now, are these bookmaking establishments served on a national wire hook-up? Do they have wire service?

Mr. BEYNON. That I would not know.

Mr. KING. Do you know about the operation of the Treasury-balance lotteries in Scranton?

Mr. BEYNON. I know that they have sold Treasury tickets in the city of Scranton.

Mr. KING. You have seen them being sold?

Mr. BEYNON. No; I have never seen them being sold. But I know that they have been selling them in Scranton.

Mr. KING. On a pretty substantial basis?

Mr. BEYNON. That I would not know—what the basis would be.

Mr. KING. Do you know the Cohens?

Mr. BEYNON. No; I do not.

Mr. KING. Can you tell us of their reputation in relation to the Treasury syndicate operation?

Mr. BEYNON. No; I cannot.

Mr. KING. You are not acquainted with them by reputation?

Mr. BEYNON. No; I am not.

Mr. KING. Do you know the Baldassaris?

Mr. BEYNON. Yes; I do.

Mr. KING. Do you know them well?

Mr. BEYNON. Well, for the last 20 years, being in town, and they are businessmen, I know them from that point.

Mr. KING. Have you visited them and traveled with them? Is it a social relationship?

Mr. BEYNON. No, sir.

Mr. KING. Do you know of the operations of the numbers game in Scranton? For instance, are you familiar with the operation that Mr. Sesso testified to?

Mr. BEYNON. I know that it has been operating in Scranton?

Mr. KING. Are there other operators like Mr. Sesso?

Mr. BEYNON. I do not know. I am not positive, but I do not think so.

Mr. KING. You think that he is the only one?

Mr. BEYNON. I am not sure of that.

Mr. KING. In all these years of moving freely about Scranton do you know other operators who have been in business as Mr. Sesso has been?

Mr. BEYNON. No; I do not.

Mr. KING. Were there extensive slot machines in the Scranton area prior to this recent close-down?

Mr. BEYNON. The only slot machines I know were in clubs such as American Legions in the city of Scranton.

Mr. KING. And they were widely distributed?

Mr. BEYNON. They were; yes.

Mr. KING. Do you know who owns those?

Mr. BEYNON. From what I can get, the clubs own them themselves and the Legion homes own them themselves.

Mr. KING. Are they still there, or have they been removed?

Mr. BEYNON. That I do not know.

Mr. KING. That is all I have.

The CHAIRMAN. That is all, Captain. Thank you very much.
Captain Conaboy.

TESTIMONY OF JAMES G. CONABOY, SCRANTON (PA.) POLICE DEPARTMENT

Will you raise your right hand, please?

In the presence of Almighty God, do you swear that the testimony you give shall be the truth, the whole truth, and nothing but the truth?

Mr. CONABOY. I do.

The CHAIRMAN. Thank you.

Now, your full name?

Mr. CONABOY. My full name is James G. Conaboy.

The CHAIRMAN. And your position?

Mr. CONABOY. Captain of police of the uniformed branch, Scranton, Pa.

The CHAIRMAN. Captain of police of the uniformed branch?

Mr. CONABOY. That is right.

The CHAIRMAN. In other words, Captain Conaboy, you have a position of equal rank with the captain who just left the stand, but he is assigned to traffic and you are assigned to the uniformed branch?

Mr. CONABOY. I might, Mr. Chairman, try to explain that question in this sense.

The CHAIRMAN. I would be delighted if you would, Captain Conaboy.

Mr. CONABOY. Captain Beynon works from 8 a. m. to 4 p. m.

The CHAIRMAN. Would you be good enough, Captain, to keep your voice up?

Mr. CONABOY. Captain Beynon works from 8 a. m. to 4 p. m. and his duties are mostly confined to traffic congestion and traffic arranging and assignments, and changing of men subject to assignment calls for emergencies and congestions. I relieve Captain Beynon at 4 p. m. My hours are from 4 p. m. to 12 midnight. I have a combination of duties insofar as traffic is concerned, until the usual period ceases—

somewhere in the neighborhood of 6 p. m. Then I go into the supervision of the uniformed branch insofar as assigning men and disciplining men and rearranging their assignments if an occasion presents itself.

The CHAIRMAN. Captain, how many men do you have under your supervision, roughly?

Mr. CONABOY. Our department is made up of 175 men and we work on a 3-platoon system. They are pretty well equalized, I say, with the exception of a few more on the 8 a. m. to 4 p. m. for traffic purposes. So I would say approximately one-third of that amount of men. That is, in the whole city area.

The CHAIRMAN. And you are the senior officer?

Mr. CONABOY. That is right.

The CHAIRMAN. All right, Mr. Polski, will you continue?

Mr. POLSKI. How long have you been on the force, Captain?

Mr. CONABOY. I was appointed to the Scranton Police Department in 1937.

Mr. POLSKI. What was your position then?

Mr. CONABOY. I would like to correct that statement. I was appointed in the Scranton Police Department in 1934 as a reserve police officer. I was promoted in 1937 to a regular patrolman.

Mr. POLSKI. And from there where did you go?

Mr. CONABOY. In 1937 I became a regular patrolman and continued in that capacity until 1946.

Mr. POLSKI. At what salary was that?

Mr. CONABOY. I beg your pardon?

Mr. POLSKI. What was your salary during that period?

Mr. CONABOY. In that year?

Mr. POLSKI. During those years; I mean, per year. Was it the same?

Mr. CONABOY. I am not in a position to answer that due to the fact that we have had several increases and I am not familiar with the date or the year.

Mr. POLSKI. What was the highest? I will put it that way. What was the highest you received?

Mr. CONABOY. The salary when I went into the police department was \$2,160 a year for a first-grade patrolman, and the salary today for the same rank, I believe, is around \$3,200.

Mr. POLSKI. And how long have you been captain?

Mr. CONABOY. I was promoted to captain in 1946.

Mr. POLSKI. And you are still captain at the present date?

Mr. CONABOY. That is right.

Mr. POLSKI. At a steady salary every year?

Mr. CONABOY. That is right.

Mr. POLSKI. How much is it?

Mr. CONABOY. My salary today is \$3,585, I believe, or \$3,550.

Mr. POLSKI. Around \$3,550 a year?

Mr. CONABOY. That is right.

Mr. POLSKI. Do you have any other income besides that?

Mr. CONABOY. None.

Mr. POLSKI. None whatsoever?

Mr. CONABOY. None whatsoever.

Mr. POLSKI. Does your wife?

Mr. CONABOY. Not at the present time.

Mr. POLSKI. Did she?

Mr. CONABOY. Prior to 1946 she did. She was employed.

Mr. POLSKI. She was employed?

Mr. CONABOY. That is right.

Mr. POLSKI. Now, what do you know of the operations of the numbers business in Scranton?

Mr. CONABOY. Very little.

Mr. POLSKI. How long have you been living in Scranton?

Mr. CONABOY. All my life.

Mr. POLSKI. All your life. You have been on the force since 1934?

Mr. CONABOY. That is right.

Mr. POLSKI. Now, you must have some knowledge of the numbers series and their operation there.

Mr. CONABOY. I have very little knowledge of their operations, due to the hours that I work, from 4 p. m. to midnight. The activities in that particular line are pretty well over when I go to work.

Mr. POLSKI. But still their names must come to your attention at various times—the names of the big operators in the numbers business?

Mr. CONABOY. That is right. In a hearsay nature their names have come up quite frequently.

Mr. POLSKI. Would it be your duty as a police officer to report such information, or do you forget it because you are on the traffic patrol?

Mr. CONABOY. Not exactly.

Mr. POLSKI. Have you ever reported to anyone else that you possess information concerning the numbers business in Scranton?

Mr. CONABOY. Not the mere mention of Baldassari's name, I have not.

Mr. POLSKI. You do not think that is sufficient?

Mr. CONABOY. I do not think so, not the mere mention of his name.

Mr. POLSKI. How about the Sesso men and their operation in the numbers? I think they are in the numbers business.

Mr. CONABOY. Maybe I can answer the question more clearly in my own way. The mere mention of their names I do not believe would necessitate a report from a captain of police unless the mention of the name had some very strong significance or facts that they were engaged in this business of numbers and horse rooms. I never had a complaint from a subordinate, citizen, or anybody else as to the activities of a horse room or numbers, and therefore I would have no occasion or necessity to submit a report to my superior.

Mr. POLSKI. Do you own a home, Captain?

Mr. CONABOY. I have a home I am paying for.

Mr. POLSKI. You are paying for it?

Mr. CONABOY. That is right.

Mr. POLSKI. What is the approximate value of that home, sir?

Mr. CONABOY. You mean the present value?

Mr. POLSKI. Yes, sir. How long have you been living there? When did you buy it?

Mr. CONABOY. I do not know exactly.

Mr. POLSKI. Approximately.

Mr. CONABOY. I would say about 13 years.

Mr. POLSKI. About 13 years?

Mr. CONABOY. About 13 years.

Mr. POLSKI. What would you say the value of that house is?

Mr. CONABOY. The present value?

Mr. POLSKI. Yes.

Mr. CONABOY. I would not know without having it appraised. I could tell you what I paid for it.

Mr. POLSKI. What did you pay for it?

Mr. CONABOY. I bought the house in 1944.

Mr. POLSKI. You just said a moment ago that you had had it for 13 years.

Mr. CONABOY. I lived there as a tenant.

Mr. POLSKI. You started to buy it in 1944?

Mr. CONABOY. That is right. I lived there prior to buying the place as a tenant, and I got the arrangement to take the house over in 1944. I paid a down payment, a small amount of money, \$800, and I got a mortgage in the loan company for the balance of \$3,400.

Mr. POLSKI. So actually the house is about \$4,200?

Mr. CONABOY. Approximately.

Mr. POLSKI. That was the full price of the house at that time?

Mr. CONABOY. There were other little charges, probably, the reimbursement of taxes, or titles, or legal fees, or something that I am not—

Mr. POLSKI. You are still paying on that?

Mr. CONABOY. That is right.

Mr. POLSKI. Have you improved the house any?

Mr. CONABOY. I have made some minor improvements to keep it up. From time to time I have made some improvements to improve the looks of the place, yes; all minor.

Mr. POLSKI. How about some furniture?

Mr. CONABOY. Furniture?

Mr. POLSKI. Yes.

Mr. CONABOY. I have had some new furniture recently.

Mr. POLSKI. Recently?

Mr. CONABOY. That camera just bothered my eyes a little bit. Will you repeat the question, please?

Mr. POLSKI. Have you bought furniture recently?

Mr. CONABOY. In the last 4 or 5 years. I keep adding to it a little bit.

Mr. POLSKI. You have been adding to it during the last 4 or 5 years?

Mr. CONABOY. I beg your pardon?

Mr. POLSKI. You say you have been adding furniture during the past 4 or 5 years?

Mr. CONABOY. That is right.

Mr. POLSKI. Do you have an automobile, sir?

Mr. CONABOY. I do.

Mr. POLSKI. How many?

Mr. CONABOY. One.

Mr. POLSKI. What is that?

Mr. CONABOY. A Buick.

Mr. POLSKI. What year?

Mr. CONABOY. 1950.

Mr. POLSKI. 1950?

Mr. CONABOY. That is right.

Mr. POLSKI. What was the cost of that, sir?

Mr. CONABOY. With the permission of the chairman and the examiner, there are a few technicalities that I would like to explain.

The CHAIRMAN. Go ahead, Captain.

Mr. CONABOY. The third month, 17th day of 1949, I purchased an automobile for \$1,700. I had an agreement with the manager of the Scranton Buick Co. in Scranton, Pa. It was not the car I desired and he agreed at the time that a better car came in to suit my purpose better he would give me the advantage and would not take any loss on the transaction.

Now, the fifth month, 17th day, 1949 a better car came in. The price of that car was \$2,295. I was allowed on the used car that I had purchased in March \$1,670, or a loss of \$30 for the 2 months that I used the car.

So in 1950, March 20, I purchased a car for \$3,000. I was allowed \$1,721 on that 1950 automobile.

Mr. POLSKI. In other words, have you paid for the Buick now, or are you still paying for it?

Mr. CONABOY. I have the Buick paid for but I have a note against it in the bank that is not exactly cleared off. There is a balance on the note.

Mr. POLSKI. Captain, if you were transferred into the division of the police department in respect to policing gambling establishments, would you know what to do?

Mr. CONABOY. I believe I would.

Mr. POLSKI. Would you have any particular leads to follow in carrying on your duties?

Mr. CONABOY. I believe I could quite capably perform in that capacity.

Mr. POLSKI. But insofar as the situation that exists today, what do you think of it?

Mr. CONABOY. The reason I testified as I did before, in my official capacity now I am too busily engaged in other duties.

The CHAIRMAN. Captain, whose responsibility is it? Who actually is charged with the duty of ascertaining whether or not gambling is or has been going on in an open and notorious manner without protection and apprehension of the wrongdoers?

Mr. CONABOY. The only answer I can give to that is that I am responsible to the superintendent of police for my activities in my official capacity. If anything worthy of his consideration comes to my attention, I submit a report. As I have previously testified if other than the mention of an individual's name was brought to my attention and there were facts to substantiate a complaint that there was excessive gambling or commission of crime or violation of ordinances or laws in any sense of the word, I naturally would submit my report to my superior, the superintendent of police.

The CHAIRMAN. And do you consider the operation of a horse room, with the general lay-out that we all know that such a room includes of sufficient seriousness and gravity to warrant the attention of the captain of police?

Mr. CONABOY. I believe I testified that I was not too familiar with that phrase "violation."

The CHAIRMAN. Is it your duty to be?

Mr. CONABOY. Not necessarily.

The CHAIRMAN. Whose duty was it? That is what I am trying to get at.

Mr. CONABOY. I just tried to explain. If it was brought to my attention then I would submit a report to my superior, the superintendent of police. Naturally, on the basis of the report submitted, I presume that he would designate the rightful person or party or branch of the department that he chose to carry on the investigation.

The CHAIRMAN. If the superintendent does not receive a report from anybody then nothing is done?

Mr. CONABOY. I did not say that the superintendent did not receive a report from anybody. I am only testifying as to my own duties.

The CHAIRMAN. Yes. But it would have been your duty to have submitted a report and to have taken positive action if you knew of the existence of such a game room?

Mr. CONABOY. Had I received a complaint; yes.

The CHAIRMAN. Is that fulfillment of duty for a captain just to sit back and wait for a complaint to come when he could, by the exercise of vigilance, go out and find out if any such operation was involved?

Mr. CONABOY. Mr. Chairman, I did not mean to infer that I just sit back and wait for complaints. I tried to explain in my official capacity that my duties in general confine me to the office for a certain period of time, making up details and assigning men, and so on and so forth, and answering complaints as to disorderly conduct, disorderly people, mischievous boys, and numerous complaints that come in, that I do not have the time to personally go out and observe every activity in the city or under my jurisdiction.

From the fact that no patrolman, sergeant, or lieutenant has ever submitted verbally or written any complaint to me, I had presumed that the conditions in Scranton were at least favorable, and I had no occasion to suspect anything else.

Mr. POLSKI. Captain, on May 25, 1951, there was a raid at 821 Lackawanna Avenue. Are you familiar with that raid?

Mr. CONABOY. I cannot say that I am too familiar. I think, if I recollect correctly, the raid happened early in the morning hours.

Mr. POLSKI. Yes.

Mr. CONABOY. It would be after my tour.

Mr. POLSKI. I do not mean that you were connected with the raid. I mean had you heard about it after it was over?

Mr. CONABOY. I read in the paper and I saw an individual appear before the magistrate.

Mr. POLSKI. But the raid I am talking about was one where they nabbed eight or nine men in a bookie establishment and by the time the police officers got to the station they only had two.

Mr. CONABOY. I say, I am not too familiar with all the circumstances.

Mr. POLSKI. You have heard that, have you not?

Mr. CONABOY. I have heard a certain amount of a raid being conducted, and somebody appearing. But not being involved directly I did not concern myself too much.

The CHAIRMAN. Did you not consider it your duty, Captain, to investigate such a serious charge? It was, as I understand it, promptly reported in the newspapers.

Mr. CONABOY. Mr. Chairman, it would not come under my jurisdiction, and there is a captain of police that follows me up from midnight to 8 a. m. I might enlighten the board that there are three captains in the uniformed branch of the Scranton Police Department. There is also a captain of the plain-clothes division, and the uniform branch works 8 to 4, 4 to 12, and 12 to 8, and naturally anything that happens in the period you are officially engaged is your responsibility. But I do not believe if it happens before or after that it can be construed as your responsibility. I in all probability was at my home in bed, possibly, when that raid took place.

Mr. POLSKI. The officers that took part in this raid were under the supervision of Capt. Leo Ruddy, were they not?

Mr. CONABOY. Leo Ruddy is superintendent of police in the city of Scranton.

Mr. POLSKI. Actually, they would be under his supervision, would they not?

Mr. CONABOY. Well, he—

Mr. POLSKI. The police officers that participated in that raid?

Mr. CONABOY. He is superintendent of police and he necessarily would not be there at night.

Mr. POLSKI. He did not have to be there at night. I am talking about the officers that participated in that raid. They were responsible to him in conducting the raid, were they not?

Mr. CONABOY. Positively. Every officer in the city of Scranton is responsible to the superintendent for his conduct and his actions pertaining to police matters.

Mr. POLSKI. Now, that has been 2½ months ago, and to your knowledge has anything been done to find out what happened on that raid, or has there been any disciplinary action on these officers?

Mr. CONABOY. I would not know.

Mr. POLSKI. There has been nothing that you hear of from scuttlebutt in the police force?

Mr. CONABOY. I would have no occasion to go into the matter as it was not conducted—

Mr. POLSKI. You do not have to go into the matter, sir. You can just hear the hearsay around the station.

Mr. CONABOY. I have not heard.

Mr. POLSKI. You have not heard anything?

Mr. CONABOY. That is right.

Mr. POLSKI. To your knowledge, nothing has been done about it?

Mr. CONABOY. That is right.

Mr. POLSKI. I have no further questions.

The CHAIRMAN. That is all. Thank you.

Mr. KING. Senator, I would like to introduce into the record for consideration by the committee a letter from the Western Union Telegraph Co., dated June 7, 1951, referring to the wire service installations in this area, and also an anonymous telegram received by the committee this morning relating to Jack Parisi, who was under subpoena to appear here today, the telegram reading:

Crime Investigating Committee, please be advised that person Jack Parisi is in serious condition in Jefferson Hospital in Philadelphia, room 1209.

Signature: "A Friend."

The CHAIRMAN. These are admitted in evidence and will be marked by the official reporter.

(The documents referred to were marked exhibits Nos. 1 through 3, inclusive, and will be found in the files of the committee.)

The CHAIRMAN. That will conclude the hearing.

(Whereupon, at 4:05 p. m., the committee adjourned.)

SCRANTON, Pa., July 9, 1951.

To: Carlon M. O'Malley, district attorney.
From: Michael T. Munley, chief county detective.
Subject: Investigation and report.

SIR: Pursuant to conference held June 30, 1951, I, together with County Detective Adam Wojciechowski and Sgt. John Tama and Corp. David Roberts of the Pennsylvania State police proceeded to the following places throughout the county with the following results:

Taylor Borough.—Chief James D. Morris interviewed. Chief Morris stated that he had no knowledge of any gambling activities in his borough other than punchboards and that there is some possibility of sales of Treasury balance tickets. Chief Morris stated that he will inform his members of the police department and put a stop to all forms of gambling in the borough of Taylor.

Old Forge.—Chief Walter Krajewski interviewed. Chief Krajewski stated that there is no commercialized gambling, such as dice or poker games, other than some friendly games of small poker or pinochle. He did state that there are punchboards in Old Forge and that he will inform the other two members of his force and order all forms of gambling to cease.

Moosic.—Chief Thomas Wilson interviewed. Chief Wilson stated that there is no dice or poker games in Moosic, that there are punchboards and pin-ball machines which he believes pay off winners over the counter. Chief Wilson stated that he and his police department of eight men will order the closing of all such gambling activities.

Dunmore.—Chief Edward J. Conway interviewed. Chief Conway stated that there is no open gambling or horse rooms in Dunmore but that the bets are being made on the streets on horse racing, but that it would stop. He further stated that all other forms of gambling such as punchboards and pin balls that pay off over the counter will be removed. Interviewed Martin F. Monahan, burgess of Dunmore. Mr. Monahan stated that he will pass the order to the entire Dunmore police force to be on the lookout for all forms of gambling and to take proper action if any are found. Leonard N. Carlucci, 321 Spring Street, Dunmore, Pa., alleged to be a horse bookie was interviewed. Mr. Carlucci stated that he quit booking horses for some time and is no longer in the business. Gordon Dempsey, 1100 John Street, Dunmore, Pa., alleged to be a bookie was interviewed. Mr. Dempsey stated that he is out of the business as booking wagers on horses.

Throop.—Captain of Police David White was interviewed as Chief John Demko was away on vacation. Captain White stated that there is no gambling activities in Throop other than punchboards and that they will be removed.

Dickson City.—Chief Joseph Zender was interviewed. Chief Zender stated that he has no knowledge of any gambling activities in Dickson City other than punchboards and that the punchboard operators will be ordered to stop such gambling. Desmond Bogdanovicz, 713 Lincoln Street, Dickson City, a reputed bookie for horse wagers was interviewed. Stated that he is not booking any wagers on horses or any other type of gambling.

Olyphant.—Chief of Police Joseph Mihalick was interviewed. Chief Mihalick stated that there is no gambling activities in Olyphant other than some punchboards and that he will personally order his police department to check and remove all punchboards and any other forms of gambling if found.

Winton.—Chief Joseph Sewack was interviewed. Chief Sewack stated that there is no form of gambling in Winton Borough other than some punchboards and that these will be removed by his police department.

Blakely.—Chief George Novitsky was interviewed. Chief Novitsky stated that there is no form of gambling in Blakely other than some minor punchboards and that they will be removed.

Archbald.—Chief Thomas Malone was interviewed. Chief Malone stated that there is no gambling of any sort in Archbald other than punchboards and that they will be removed.

Jermyn.—Chief David Trezise was interviewed. Chief Trezise stated that there was no gambling in Jermyn other than some punchboards and a small pool each Saturday worth about \$20 to \$30 dollars and that it would be stopped immediately.

City of Scranton.—The following reputed operators were warned by Detective Wojciechowski to cease operations:

Richard Booth, 1555 North Washington Avenue, Scranton, Pa., distributor for Square Deal and Penn, Ltd., lottery or treasury tickets.

Peter Genell, 1714 Ash Street, Scranton, Pa., a bookie for wagers on horse races.

Charles Pascucci and Nick Ross, Greyhound Terminal, Scranton, Pa., bookies and horse-room operators.

Mayor James T. Hanlon was interviewed and stated that he would cooperate to the fullest and immediately call the director of public safety, Mr. William Lonsdorf and Chief Ruddy into conference, but he was of the opinion that there was no gambling going on except punchboards and they would be ordered out.

The following alleged or reputed operators were interviewed and warned by me to cease operations:

Joseph Baldassari, Cleveland Street, Scranton, and his brother Al Baldassari, 110 Stafford Avenue, Scranton, horse room at 108 Adams Avenue, Scranton, alleged partners in horse room in 100 block of Adams Avenue and pin-ball machine distributors.

James "Buz" Caffrey, 312 Linden Street, Scranton, Pa., horse room at 217 Penn Avenue, Scranton, Pa.

Michael Nemetz, 301 South Valley Avenue, Olyphant, Pa., horse room at 228 Lackawanna Avenue, Scranton, Pa.

Eugene Allegrenuci, 639 Pear Street, Scranton, Pa., distributor of the "Domino" lottery ticket.

James Martin, 816 Beech Street, Scranton, Pa., distributor of the "Black Diamond" lottery ticket.

Dickey Rose, 332 Penn Ave., Scranton, Pa., telephone horse bookie.

Adolph "Dolly" Rosar, 412 Thirteenth Street, Scranton, Pa., distributor of the "New Deal" lottery ticket.

Lou Cohen, Mount Pocono, Monroe County, Pa., reputed distributor and owner of the "Empire" lottery ticket.

Michael Size, 247½ Wyoming Avenue, Scranton, Pa., distributor of the "Emperial" lottery ticket.

Thomas Sesso, 421 North Ninth Street, Scranton, Pa., reputed head of the number games in Scranton.

Attempted to see Joseph Size, but was informed he was out of town.

City of Carbondale.—Attempted to interview Mayor William Monahan but he was out of the city, and visited the following who were interviewed and ordered by me to cease operations:

Sam "Chummy" Gilot, 64 Fallbrook Street, Carbondale, Pa.; Bruno Sposito, 64 Fallbrook Street, Carbondale, Pa.; and John "Skippy" Farber, 156 Salem Avenue, Carbondale, Pa.; all three alleged operators of a crap game and horse room at 64 Fallbrook Street, Carbondale, Pa.

Next day saw Mayor Monahan, who agreed to cooperate and issue necessary orders to chief judge to order all punchboards and small poker games to cease. Saw chief judge same day.

Vandling.—Interviewed Chief of Police Walter Cebular who stated that there was no gambling in Vandling other than punchboards and he would order them out immediately.

Fell Township.—Interviewed Constable Stephen Zavacky, Jr., who stated the only gambling in Fell Township were punchboards and small poker games and he would have them stop immediately.

Mayfield.—Interviewed Chief of Police Walter Brzuchalski, who stated that there was no gambling in Mayfield other than punchboards and he would order them out immediately.

Moscow.—Chief Ira Knoll was interviewed. Chief Knoll stated that there is no gambling activities in Moscow and that he will make a tour of the business places for punchboards and if any found will close and cease such gambling activities.

Clarks Summit.—Chief D. Richer Wenner was interviewed. Chief Wenner stated that the only gambling activity in Clarks Summit was some punchboards and that he will order them removed.

Clarks Green.—Chief Kermit Green was interviewed. Chief Green stated that there is only one punchboard in Clarks Green and that it will be taken down.

MICHAEL T. MUNLEY,
Chief County Detective.

HAZELTON, Pa., August 6, 1951.

CRIME INVESTIGATING COMMITTEE,

Senate Office Building, Washington, D. C.:

Please be advised that Jack Parisi is in serious condition in Jefferson Hospital in room 1209.

A FRIEND.

THE WESTERN UNION TELEGRAPH CO.,
New York, N. Y., June 7, 1951.

Mr. DOWNEY RICE,

Associate Counsel, Special Committee to Investigate Organized Crime in Interstate Commerce, United States Senate, Washington, D. C.

DEAR SIR: As requested by you of Mr. Heberton, attached is list of names and addresses of drops and/or connections in the State of Pennsylvania on the ticker circuit leased by the Western Union Telegraph Co. to the Metro-Globe News Service, post office Box 925, Hoboken, N. J., during the period December 1, 1950, to June 5, 1951, inclusive.

You also requested, as we understood, "any contract arrangements" Western Union might have in this matter. Western Union has no contract arrangements with any of the lessee's subscribers which constitute the drops; rather, our only contract arrangement is with the lessee. As each drop is applied for, we require written application from the lessee therefor. Attached as a sample is the most recent such application, viz., dated March 29, 1951, with respect to Wyoming Valley Social Club at Pittston (installed April 4, discontinued April 16, 1951). All other drops and/or connections are covered by written applications on the identical form.

Yours very truly,

E. R. SHUTE, Vice President.

The Western Union Telegraph Co.—Names and addresses of drops and/or connections in State of Pennsylvania on ticker circuit leased to the Metro-Globe News Service, Post Office Box 925, Hoboken, N. J., from Dec. 1, 1950, to June 5, 1951

Name and address of subscriber	Date installed	Date discontinued
East End Club, 657 East Lincoln Highway, Coatesville, Pa.	Apr. 23, 1947	(1)
Coatesville Athletic Club, 724 East Lincoln Highway, Coatesville, Pa.	May 19, 1947	(1)
Coaldale Athletic Club, 212 East Phillips St., Coaldale, Pa.	Dec. 9, 1947	(1)
Devon Sports Club, Lancaster Pike, Devon, Pa.	July 20, 1950	Jan. 15, 1951
Shawde Athletic Club, 213 Shawde Court, Easton, Pa.	Mar. 16, 1948	(1)
Lebanon Sports Club, 339 West Cumberland St., Lebanon, Pa.	Nov. 6, 1950	Jan. 29, 1951
Clover Club, 118 East Center St., Mahanoy City, Pa.	Nov. 2, 1950	(1)
Nanticoke Sporting Club, 127 South Market St., Nanticoke, Pa.	Nov. 17, 1950	(1)
Pittston Sports Club, 31 South Main St., Pittston, Pa.	Nov. 15, 1950	(1)
Wyoming Valley Sports Club, 37 South Main St., Pittston, Pa.	Apr. 4, 1951	Apr. 16, 1951
T. Burns, 100 North Center St., Pottsville, Pa.	May 26, 1945	(1)
Ben Moyer, 601 Franklin St., Reading, Pa.	Mar. 22, 1950	May 28, 1951
Moyer, Athletic Club, 31 Poplar St., Reading, Pa.	Mar. 4, 1950	(1)
Nick Roose, 218 Adams St., Scranton, Pa.	Dec. 17, 1949	(1)
Modern Amusement Co., 108 Adams St., Scranton, Pa.	Feb. 22, 1951	(1)
B. & B. Club, 226 Lackawanna Ave., Scranton, Pa.	Feb. 22, 1951	(1)
Greek Spots Club No. 1, 217 Penn St., Scranton, Pa.	Mar. 7, 1951	(1)
H. Sheeran, 117 North Main St., Wilkes-Barre, Pa.	Nov. 15, 1950	(1)
W. Mancino, 816 Washington Blvd., Williamsport, Pa.	Dec. 7, 1950	May 18, 1951
Progress Social Club, 158 Hamilton St., Allentown, Pa.	Nov. 10, 1949	Jan. 18, 1951
Lincoln Club, 721 East Main St., Coatesville, Pa.	Feb. 22, 1951	Apr. 4, 1951
Progressive Club, 143 High St., Pottstown, Pa.	Apr. 2, 1951	Apr. 5, 1951

¹ Still in service.

THE WESTERN UNION TELEGRAPH CO.

General Offices, 60 Hudson Street

NEW YORK, N. Y.

APPLICATION FOR PRIVATE WIRE SERVICE

Applicant: Metro-Globe News Service, Post Office Box 925, Hoboken, N. J.

Effective date: Soon as possible.

Minimum period.

Service: Single high-speed receiving—only teleprinter.

Monthly charge: As billed. Payable monthly in advance.

Installation charge: As billed.

Facilities, station locations, and periods of service: Addition of the following to existing leased circuit—Wyoming Valley Social Club, 37 South Main Street, Pittston, Pa.

The undersigned requests the Western Union Telegraph Co. to furnish, subject to and in accordance with its lawful rates and regulations, the service described (including such modifications therein as may be ordered from time to time), for the established minimum period and thereafter until terminated by written notice from the undersigned, unless earlier terminated by the Company pursuant to its regulations, and agrees to pay for such service according to the Company's established billing practices. The undersigned agrees that the facilities furnished under this tariff shall not be used for any purpose or in any manner directly or indirectly in violation of any federal law or the laws of any of the states where the equipment is located, and that the company may discontinue the service to any drop or connection or to all drops and connections when it receives notice from federal or state law enforcing agencies that the service is being supplied contrary to law. This application shall become binding on both parties when accepted by the company, such acceptance to be evidenced by the signature of one of its officers hereon, or by the establishment of the service.

METRO-GLOBE NEWS SERVICE,
Applicant.

By (Sgd.) SAMUEL MARKS.

Accepted by the Company:

_____, *Assistant Vice President.*Date: March 29, 1951.
_____THE WESTERN UNION TELEGRAPH CO.,
COMMERCIAL NEWS DEPARTMENT,
New York, N. Y., August 6, 1951.

Hon. HERBERT R. O'CONOR,

Chairman, Senate Committee to Investigate Organized Crime in Interstate Commerce, Washington, D. C.

DEAR SIR: In response to a subpoena served upon this company by Mr. Charles Siragusa, chief investigator of your committee, I am attaching a list of subscribers to our quotation service covering United States Treasury balance reports, which service is furnished in accordance with our Tariff F. C. C. No. 208.

This list of subscribers covers our eastern territory served by the New York C. N. D. center of our company. It represents the majority of subscribers throughout the country. As arranged with Mr. Siragusa, we will furnish a list of the subscribers served through other C. N. D. centers of the company within the next few days.

Very truly yours,

E. J. FREUND,
Director, Commercial News Service.

TYPICAL MESSAGE

April 3 total balance \$,350,733,876.77.

G. T. HARRIS, *Western Union.*

August 7, 1951.

LIST OF SUBSCRIBERS TO UNITED STATES TREASURY BALANCE DAILY REPORT, CLASS 9,
FURNISHED BY THE WESTERN UNION TELEGRAPHIC CO., NEW YORK, N. Y.

Henry Wilson, will call, Rochester, N. Y.	Tommy Manfredo, Jeannette, Pa.
Mike Sullivan, Plattsburg, N. Y.	J. Murry, Salamanca, N. Y.
Joseph Size, Scranton, Pa.	Mrs. Bertha Bachman, 518 South Main Street, Lewistown, Pa.
J. E. Burnes, Syracuse, N. Y.	Frank Whitehouse, Burlington, Vt.
Mitchell Harris, will call, main office, Boston, Mass.	Joe Carr, Monessen, Pa.
F. Laurent, 2228 Union Boulevard, Allentown, Pa.	Rosen Printing Co., Buffalo, N. Y.
H. J. Lane Co., will call, main office, Boston, Mass.	Peter Farrell, will call, Western Union, 437 Broadway, Baltimore, Md.
Fred Camposano, Niagara Falls, N. Y.	Ernest Mayo, Concord, N. H.
Robert Leonard, 710 Smithfield Street, will call, Western Union, Pittsburgh, Pa.	James Trucks, will call, sr. office, Boston, Mass.
J. J. Bridges, will call, main office, Boston, Mass.	George Dence, Cortland, N. Y.
Mr. Nerbonne, Manchester, N. H.	J. R. Brown, Geneva, N. Y.
C. W. Sullivan, 6731 McPherson Building, Pittsburgh, Pa.	J. J. Donahue, 311 West Clinton Street, Elmira, N. Y.
James Bloise, Olean, N. Y.	N. Laskaris, Johnson City, N. Y.
Mickey Yon Fone, 7-42984, Johnstown, Pa.	L. H. Levitt, 9 Parkside Court, Utica, N. Y.
Robert LaFlame, 206 Main Street, Manchester, N. H.	Ralph Carl, Beacon, N. Y.
Carl Vescio, will call, Rome, N. Y.	Joseph Burke, box 185, Endicott, N. Y.
Earl Radford, will call, Utica, N. Y.	Jack Richards, will call, Scranton, Pa.
Joseph Fisher, will call, Elizabeth, N. J.	Fred Soesman, will call, Ilion, N. Y.
Paul Clough, 21 Lincoln Street, Spencer, Mass., via Worcester, Mass.	Charles Ambush Baker, 3920, Rochester, N. Y. ¹
Michael Duffy, will call, Trenton, N. J.	Joseph A. Cragan, Kingston, N. Y. ²
Joseph Duburk, Plattsburg, N. Y.	R. E. Booth, 1550 North Washington Avenue, Scranton, Pa. ²
L. Bubb, Williamsport, Pa.	Walter L. Mathison, Edgewood, R. I. ²
Robert Laird, Trenton, N. J.	Dunais, Fall River, Mass. ²
Tetzner Press, Syracuse, N. Y.	William Smith, Eleventh Avenue, Altoona, Pa. ²
Joe Pirro, Utica, N. Y.	George Davis, Easton, Pa. ²
	George Murphy, Newburgh, N. Y. ²

THE WESTERN UNION TELEGRAPHIC CO.,
COMMERCIAL NEWS DEPARTMENT,
New York, N. Y., August 7, 1951.

HON. HERBERT R. O'CONOR,
Chairman, Senate Committee To Investigate Organized Crime in Interstate Commerce, Washington, D. C.

DEAR SIR: Further regarding our letter of August 6, attached is a supplementary list of subscribers to our quotation service covering United States Treasury balance reports furnished in accordance with our tariff FCC No. 208. This list which covers the territory served by our Chicago C. N. D. center, together with the list sent you yesterday completes the list of subscribers to these reports.

Very truly yours,

E. J. FREUND,
Director, Commercial News Service.

¹ Take Thursdays only.

² Take Fridays only.

SUPPLEMENTARY LIST, UNITED STATES TREASURY BALANCE, CLASS 9

- T. H. Thompson, will call, Alliance, Ohio. Empire Press, 446 West Superior Street, Chicago, Ill.
- F. E. Wells, 1048 South Arch Street, Alliance, Ohio. E. Kelly, Mondays only, will call, Y. M. Branch, M. Kaplan, 3475 Shannon Road, 1180 Cleveland Heights, Ohio. Fred Ramsey, Cleveland, Ohio.
- B. C. Schafer, 126 West Main Street, Barnesville, Ohio. Dave Marcus, will call, Indianapolis, Ind.
- Carl Beach, 708 Nethersole Drive, Berea, Ohio. Charles Smith, 434 St. Clair Street, Toledo, Ohio.
- Darling Restaurant, Canton, Ohio. Stephen Swartz, 1561 Hamilton Street, Toledo, Ohio.
- Pat's Cigar Store, Canton, Ohio. John Flagg, Youngstown, Ohio.
- H. J. Smith, will call, Columbus, Ohio. Charles Schaeffer, will call, F. L. Branch, Chicago, Ill.

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